City of Ypsilanti, Michigan

www.cityofypsilanti.com

Comprehensive Annual Financial Report

For the Year Ended June 30, 2013

Prepared by:

Marilou Uy, Director of Fiscal Services
Sallea Tisch, Accounting Supervisor

CITY OF YPSILANTI, MICHIGAN

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INTRODUCTORY SECTION

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City of Ypsilanti
Finance Department
Accounting Division

November 25, 2013

To the Honorable Mayor, Members of the City Council and Citizens of the City of Ypsilanti

It is my pleasure to submit to you and the citizens of Ypsilanti, the Comprehensive Annual Financial Report (CAFR) of the City of Ypsilanti for the fiscal year ending June 30, 2013. Responsibility for both accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. The City uses a comprehensive system of internal controls to assure completeness and accuracy of the data presented in this report. These do not include controls whose cost exceeds the benefits to be derived from them, as the objective is to provide reasonable, rather than absolute assurance, that the financial statements are free of any material misstatements. City employees operate under a comprehensive system of internal controls designed to ensure the completeness and accuracy of the data representing the City's activities. The administration believes, and has made its best efforts to ensure, that the data, as presented, is accurate in all aspects and that it is presented in a manner designed to fairly set forth the financial position and results of operations of the City. It was prepared by staff in Fiscal Services, Rehmann Robson and other city departments.

This report has been formulated following the guidelines recommended by the Government Finance Officers Association (GFOA) of the United States and Canada. Meeting the high standards as set forth in the guidelines of the GFOA can only assist us in improving the financial reporting of the City of Ypsilanti.

Wherever possible, the City has made use of grants to help meet the needs of the community. Examples of such grants benefitting the City include road improvements from MDOT, Water & Sewer pump improvements from Capitalization grants, from Clean Water State Revolving Funds, assistance with police officer wages and fringes for LAWNET, Inter-agency Cooperation Team Funding initiative, and Technology Reinvestment Initiative, CDBG pass-through Washtenaw County for Harriet Street Corridor Redevelopment, Water Street Reforestation and Phytoremediation from US Department of Agriculture, and Special Program for Aging Title III, part C from Department Health & Human

Abraham & Gaffney, P.C., Certified Public Accountants, have issued an unmodified ("clean") opinion on the City of Ypsilanti's financial statements for the year ended June 30, 2013. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

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Profile of the Government

The City of Ypsilanti, incorporated in 1858, is located in the southeast region of Michigan's Lower Peninsula in Washtenaw County, approximately 30 miles west of Detroit, with a population of approximately 19,435. The City is bounded to the north by the Charter Township of Superior and on the west, south and east by the Charter Township of Ypsilanti.

The City is a stable community with many assets – quality residential neighborhoods, good schools, beautiful view of the Huron River, historic downtown and residential neighborhoods, and convenient access to I-94 and Detroit Metropolitan Airport. Annual events and festival and the presence of Eastern Michigan University, all contribute to the City of Ypsilanti's "small town" sense of community.

The City has operated under the council-manager form of government since 1947. The City Council is comprised of the mayor and six members, who are elected by ward, on a staggered basis for four year terms. The Mayor is elected every four years. The City Manager and City Clerk are appointed by and serve at the pleasure of the council.

The City of Ypsilanti provides a full range of services to the community: police, fire, street maintenance, recycling, yard waste removal, elections, emergency preparedness and response, planning, support services and other customer specific services. The City is responsible for the management and financing of these operations. Other services are provided through component

The City Council is required to adopt a final operating budget prior to the beginning of each fiscal year. This annual budget serves as the foundation for the City of Ypsilanti's financial planning and control. The budget is approved at the fund level, however, budgetary control is exercised at the department level. Expenditures may not exceed budgeted appropriations at the department level. The City Manager has the authority to approve budget transfers between programs within the same fund, but council may authorize transfers between funds. Department Heads may transfer funds between accounts within a specific program under their direction with the exception of personnel and capital expenditures, which must be approved by the City Manager.

The City maintains 96.5 acres of parkland, including a park system running along the Huron River, and parks and tot lots throughout neighborhoods. While the City does not directly provide recreation programming, it has partnered with many dedicated community groups. These partnerships include Friends groups that fundraise for, and operate the pool, the Senior Center and Parkridge Community Center. In addition, there are neighborhoods, churches, schools, and other organizations that assist in providing numerous community gardens, park improvement projects and recreation programming. The City has also worked with the County Public Health Department to make capital improvements to park facilities, and with the County Parks and Recreation Commission to construct part of a regional biking and walking trail network.

The Riverside Art Center operates the City's Riverside Arts Center, which provides theater, gallery, and classroom space. The Center is only a small part of Ypsilanti's cultural picture, however – a wide variety of museums, galleries, and studios work in media ranging from pottery to puppetry to tattoos, and music venues have been recognized as a focal point of southeast Michigan's independent music scene. A similar diversity of events are held annually, with regional (or greater) draws; the long-running Ypsilanti Heritage Festival, Orphan Car Show, Elvisfest and the Michigan Brewers Guild Summer Festival each bring tens of thousands to Riverside Park, while Ypsi Art Fair and MittenFest provide exposure to local artists and musicians.

Local Economy

Local unemployment is around 7.2% percent, and has been consistently at or below the state average (at August 2013, 9.0 percent) and below the national average of 7.4 percent. As the State of Michigan adapts to the challenges of a rapidly globalizing world, community and business leaders have come together like never before to respond. Economic development officials have implemented an aggressive strategy for business growth and expansion within the region offering numerous resources to businesses with financing opportunities. An example of this is the cooperation between members of the Eastern Leaders Group. These local units of government have collaborated to locate a business incubator in Ypsilanti's downtown Central Business District, as well as make gap financing funds and other microloans available on the eastern side of the county, and region-wide.

The City of Ypsilanti has a population of 19,435 according to the 2010 U.S. Census. This is a decline from the census of 2000, which showed a population of 22,237.

The City's State Equalized Value has decreased 31.49% compared to ten years ago. The City's Total Equalized Value of taxable property for tax year 2013 is approximately $302 million, an increase of about $1.5 million, or roughly 0.52% of the prior year.

The City remains in good financial condition, as is demonstrated by the financial statements and schedules included in this report.

Long Term Financial Planning

The City Council and City Manager believe long-term financial planning is essential to ensuring the City's fiscal heath. Starting in 2001, the City faced declining revenues and began its cost reduction strategy by deferring capital projects and equipment purchases. This effort continued during 2002 when the Recreation Department was eliminated and other positions and departments were combined. Further staff reductions were implemented during 2008. During fiscal year 2003, the City had a high point of 139.75 full time employees (FTE's). This number has now declined to 85.09 FTE's for fiscal year 2013.

The City's working relationship with our governmental neighbors and Eastern Michigan University, our largest employer continued in earnest. The Eastern Leaders Group has continued to meet and formulated new goals related to business development, improving building stock, encouraging Eastern faculty and staff to live in the City, and improving K-12 educational opportunities. Investment continues in the downtown with the renovation of second floor apartments and façades as well as the opening of several first floor retail businesses. 2013 marks the first year in 5 years where the city's taxable value has increased. Automotive Component Holdings (ACH) formerly the City's largest taxpayer ceased operation in December 2008 and Angstrom USA, LLC. Has purchased the property and recently agreed to work with the city on adaptive reuse of its buildings.

Our 38-acre redevelopment project, Water Street, bounded by Michigan Avenue on the north and the Huron River on the south and west continues to face formidable challenges due to the economy. The City has successfully committed $4.6 million in fund balance to pay for the annual debt payments resulting from the sale of bonds to finance acquisition and demolition on this site. Originally, debt retirement was to be paid for by capturing tax increment financing from new development, but the City will now use committed fund balance until TIF capture is available. The unassigned general fund balance for fiscal year 2013 is $2,201,556 which is 16.49% of fiscal year 2012-13 general fund amended expenditures.

The City continues to face escalating financial challenges with increasing costs of employee benefits, particularly for medical and prescription drugs. The City also faces mounting pension and other post-employment benefits costs for current and retired employees. The revenue decline, coupled with the rising expenses, pose a significant threat to the City's fiscal structure and a long-term threat to the stability of the City's finances. Cost containment strategies and reductions have been employed to mitigate and reduce future stress on City finances. The City, under the leadership of the recently hired City Manager, is working to develop a turn-around plan that will allow the City to provide and maintain a reasonable level of core services for its citizens at a cost that can also be sustained.

Major Initiatives for the Year

Efforts to market and sell parcels in the Water Street redevelopment area continue but are hampered by Michigan's poor economy and the general lack of available development financing. However, the City Council has approved two letters of intent, one for .85 acres for a Family Dollar store, and another for up to eight acres for the development of the East Side Recreation Center. Staff will be working with the City's broker to continue to market the site to additional developers. Fortunately, sufficient funding has been committed in the fund balances to make annual bond indebtedness payments for the next five years.

Additionally, the City has secured funds from the Great Lakes Restoration Initiative for interim uses including a city tree nursery, and for phytoremediation of a one-acre sized area that still has metals contamination. The funding for the tree nursery included a tree-inventory which was completed in 2011. The nursery will be completed by the end of 2013.

Continuing with its focus on replacing aging infrastructure, the City rebuilt South Grove Road to Service Drive including the installation of a pedestrian crossing to North Bay park, to continue the city's efforts toward pedestrian-scale projects and "Complete Streets" implementation. In 2011, the City was awarded two grants from the Michigan Natural Resources Trust Fund for a pedestrian bridge crossing from Riverside Park to the Water Street Redevelopment area, as well as a grant to rebuild the Rutherford Pool thanks to leadership from the Friends of the Rutherford Pool. The pool will reopen in the summer of 2014, and the bridge and trail project will begin constructions in spring of 2014.

The City, DDA, and Eastern Leaders Group have continued work on building and façade grants for all the DDA districts, and are expected to continue into 2013. The Eastern Leaders Group and EMU are also promoting the Live Ypsi program. This program provides a $7,500 forgivable loan to EMU faculty and staff to purchase homes in the City limits as primary residences. City staff hopes to work with EMU and the ELG on enhanced promotion of this excellent program during 2013.

Building on the recent installation of LED lights along West Cross, the City has committed to retrofitting the vast majority of its street lights to LED lights. These retrofits will help reduce overall street lighting expenses, and are part of the broad effort to reduce carbon emissions in the City of Ypsilanti.

The City continues to participate in Aerotropolis, the regional economic development effort that includes Wayne and Washtenaw counties as well as, the cities of Belleville, Taylor and Romulus, and the townships of Van Buren and Ypsilanti. The concept is to provide economic development opportunities (for business wanting to locate near Detroit Metro and Willow run Airports) in the respective communities by creating a cooperative development strategy for time sensitive manufacturing, e-commerce fulfillment, telecommunications and logistics industries, as well as offices for business people who travel frequently by air.

The City held its fifth annual city-wide Open House which promotes living in the city and was sponsored by the City, Ypsilanti School district, EMU, local realtors and the Ann Arbor Board of Realtors. This year, 19 houses were open on October 5, 2012. Additionally, the City continued its partnership with the Washtenaw County Treasurer's office with a tax foreclosure open house which showed 10 out of 30 properties in this year's foreclosure auction. All of the properties sold at auction, several for more than the minimum bid, making this the third successful year in a row for this project. The City continues to respond to vacant and dangerous buildings through its implementation of an ordinance and had four completed in 2012. The Fire Department continues to monitor properties and manage this effort, and more demolitions are expected in 2013.

Major Initiatives in the Future

In 2013, the City will continue energy-efficiency improvements in City buildings focusing on lighting as well as streetlight retrofits and development of the streetlight assessment district. The City adopted a new master plan in 2013 and will be revising the zoning ordinance in the first half of 2014 with the hopes of engaging a broad range of citizens for long-range visioning for the City.

The cities of Ypsilanti and Ann Arbor and Townships of Pittsfield and Ypsilanti have an informal agreement to operate as a box alarm system. This concept manages resources as one fire service increasing the effectiveness and efficiency of each fire department without additional costs.

Friends of Rutherford Pool are completing work on a brand new outdoor swimming pool which will be open for the 2014 summer season. The Heritage Bridge and Rivers' Edge Trail project connecting Riverside Park to the Water Street Redevelopment area will begin construction in spring of 2014. One of the City's highest priorities is to attract rail service (commuter Ann Arbor to Detroit and/or inter-city service Pontiac to Chicago) to the City of Ypsilanti. As part of this effort, the City will devote the necessary resources to build a platform that is required so that these services can stop in the City of Ypsilanti in its Depottown neighborhood.

Acknowledgements

The preparation of this report on a timely basis was made possible by the dedicated services of Fiscal Services accounting staff and other City departments, as well as from Rehmann Robson. I wish to express my appreciation and acknowledge those who assisted and contributed to the preparation of this report: Marilou Uy, Kimberly Jones, Sallea Tisch, and the interns from the Fiscal Services Department, Teresa Gillotti and Nan Schuette.

My hope is that you will find this document to be a useful tool in evaluating the City's financial health. Helping you and the public obtain a thorough understanding of the City's financial condition is important to us all. Should you have any questions, comments, concerns, or suggestions regarding this document or the information it contains, Marilou Uy and I are available to respond.

Respectfully submitted,

{signature omitted for security}

Ralph A. Lange
City Manager

CITY OF YPSILANTI, MICHIGAN

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Ypsilanti

Michigan

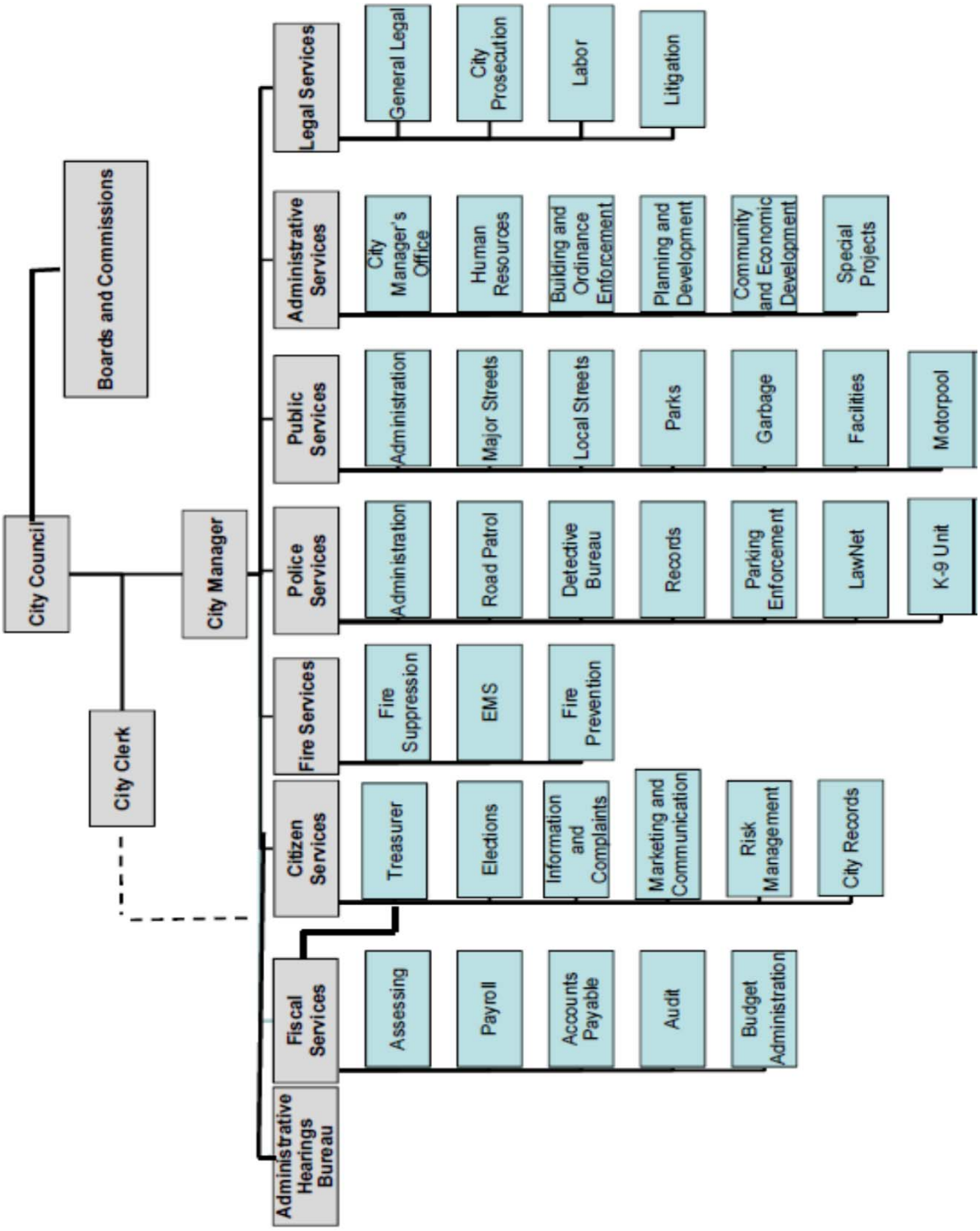
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2012

Executive Director/CEO

CITY OF YPSILANTI, MICHIGAN

Table of Organization



CITY OF YPSILANTI, MICHIGAN

ELECTED OFFICERS

CITY COUNCIL

Paul T. Schreiber
Mayor

Lois E. Richardson
Mayor Pro-Tem

Susan Moeller
Peter J. Murdock
Ricky Jefferson
Daniel Vogt
Brian Robb

Administration - Appointed Officials and Senior Management

Ralph A. Lange
City Manager

Frances McMullan
City Clerk

Marilou T. Uy
Director of Fiscal Services

Max Anthouard
Fire Chief

Stan Kirton
Director of Public Services

Amy Walker
Police Chief

Kimberly D. Teamer
City Treasurer

Courtney Dugger
City Assessor

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FINANCIAL SECTION

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Principals

Dale J. Abraham, CPA
Michael T. Gaffney, CPA
Steven R. Kirinovic, CPA
Aaron M. Stevens, CPA
Eric J. Glashouwer, CPA
Alan D. Panter, CPA
William I. Tucker IV, CPA

ABRAHAM & GAFFNEY, P.C.
Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
Members of the City Council
City of Ypsilanti, Michigan

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Ypsilanti, Michigan (the City), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2013, and the respective changes in financial position and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Changes in Accounting Principles

As discussed in Note 1, the City implemented GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities* during the year. As a result of this implementation, the format and reporting of the financial statements has changed to reflect the required components of GASB Statement No. 63 and GASB Statement No. 65, as applicable. Our opinions are not modified with respect to these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and schedules of funding progress and employer contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 2, 2013, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Abraham & Gaffney, P.C.

ABRAHAM & GAFFNEY, P.C.
Certified Public Accountants

December 2, 2013

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis

As management of the *City of Ypsilanti, Michigan,* we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2013. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, as listed in the table of contents.

Financial Highlights

As discussed in further detail in this discussion and analysis, the following represents the most significant financial highlights for the year ended June 30, 2013.

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by $16,722,534 (net positions). This amount is net of a deficit of $6,545,637 in unrestricted net position. The City has no business-type activities and therefore reports only governmental activities in its government-wide financial statements.

- The government's total net position decreased by $4,180,198.

- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of $17,528,515, a decrease of $2,151,118 in comparison with the prior year. Approximately 11.6 percent of this total amount, or $2,033,390 is available for spending at the government's discretion (unassigned fund balance).

- At the end of the current fiscal year, unassigned fund balance for the general fund was $2,201,556 or 17.1% of total general fund expenditures and other financing uses.

- The City total bonded debt decreased by 1,972,449 during the current year. There was one refunding of General Obligation bonds during the year that resulted in lower interest rate from 4%– 4.375% to 1.31% with a net saving of approximately $315,000 for entire life of the bonds that matures on 2018.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the City's assets and liabilities, with the difference between the two reported as *net position.* Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information shows how the government's net assets changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash* flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues *(governmental activities).* The governmental activities of the City include general government, public safety, public works, highways and streets, culture and recreation and community development.

The government-wide financial statements include not only the City itself (known as the *primary government)* , but also legally separate entities for which the City is financially accountable. Financial information for these *component units* is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found as listed in the table of contents.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources,* as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities.*

The City maintains 33 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the 2006 general obligation fund, and 2003 unlimited tax bonds debt service which are considered to be major funds. Data from the other 30 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City adopts an annual appropriated budget for its general and special revenue funds. Budgetary comparison statements or schedules have been provided herein to demonstrate compliance with those budgets.

The basic governmental fund financial statements can be found as listed in the table of contents.

Proprietary funds. The City has one type of proprietary fund. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its motor pool, workers' compensation self-insurance, and retiree benefits. Because these services benefit governmental functions, they have been included within *governmental activities* in the government-wide financial statements.

All of the internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

The basic proprietary fund financial statements can be found as listed in the table of contents.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found as listed in the table of contents.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found as listed in the table of contents.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information.* This is limited to schedules concerning the City's progress in funding its obligation to provide pension benefits to its police and fire employees, pension benefits to employees participating in the MERS plan, and other postemployment benefits. Required supplementary information can be found as listed in the table of contents.

The combined statements referred to earlier in connection with nonmajor, internal service and fiduciary funds are presented immediately following the required supplementary information. Combined and individual fund financial statements and schedules can be found as listed in the table of contents.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City of Ypsilanti, assets exceeded liabilities by $16,722,534 at the close of the most recent fiscal year as shown in the following table (which shows, in a condensed format, the net position as of fiscal year end 2012 and compared to the prior fiscal year):

	Net Position	
	Governmental Activities	
	2013	2012
Assets		
Current and other assets	$51,560,599	$55,767,818
Capital assets	22,886,305	25,211,390
Total assets	74,446,904	80,979,208
Deferred outflow	83,208	-
Liabilities		
Long-term liabilities outstanding	55,067,067	57,130,244
Other liabilities	2,740,511	2,946,232
Total liabilities	57,807,578	60,076,476
Net position		
Net investment in capital assets	15,636,305	16,911,390
Restricted	7,631,866	11,083,068
Unrestricted (deficit)	(6,545,637)	(7,091,726)
Total net position	$16,722,534	$20,902,732

By far the largest portion of the City's net position (93.5% or $15,636,305) reflects its investment in capital assets (e.g., land, buildings, vehicles, equipment, systems and infrastructure); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Additionally, a portion of the City's net assets (45.6% or $7,631,866) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (a deficit of $6,628,845) represents the extent to which accrual basis non-capital liabilities exceed assets after taking into account restrictions.

Management's Discussion and Analysis

	Changes in Net Position	
	Governmental Activities	
	2013	2012
Revenue		
Program revenue:		
Charges for services	$ 2,618,765	$ 2,271,687
Operating grants and contributions	4,282,348	2,712,064
Capital grants and contributions	24,258	322,858
General revenue:		
Property taxes	10,309,164	10,555,401
Grants and contributions not restricted to specific programs	2,342,612	2,256,140
Other	(13,260)	775,375
Total revenue	19,563,887	18,893,525
Expenses		
General government	2,083,855	2,866,101
Public safety	7,908,177	8,601,201
Public works	4,067,582	2,015,694
Highways, streets and bridges	3,921,320	2,823,389
Culture and recreation	408,367	367,484
Community development	292,867	184,244
Public transportation	308,564	262,320
Interest on long-term debt	2,095,288	2,329,834
Total expenses	21,086,020	19,450,267
Special item		
Change in market value of land held for resale	(1,995,335)	-
Change in net position	(3,517,468)	(556,742)
Net position, as restated - beginning of year	20,240,002	21,459,474
Net position - end of year	$16,722,534	$20,902,732

Management's Discussion and Analysis

The City's total net position decreased approximately 20.0% from the prior year. The majority of the decrease was accounted for by the decrease in value of the water street properties, which is 38-acre redevelopment project, bounded by Michigan Avenue on the north and the Huron River on the south and west. The total devaluation of land held for sale was $1,995,335.

The increase in charges for services is due to a one time catch up fee in fire protection revenue, refunding of a DTE billing error, and an increase in MML Liability & Property Pool dividends. The increase in operating grants is due to more grants received this year. The City received phytoremediation and reforestation grants from the Department of Agriculture, CDBG- entitlement for Harriet St Corridor, Community planning and zoning grants from Department of Housing and Urban development, higher State Trunk line maintenance revenue this year. Capital Grants and Contributions is lower this year due to the City receiving less salt reimbursement from EMU. As mentioned earlier, the other revenues decreased due to the devaluation of land held for resale in the Water Street redevelopment area.

The General Government expenses decreased due to decreased wages, fringes, contractual services, operating expenses as well as decreases in MTT, charge backs from Washtenaw County. Public safety expenses decreased due to the delay in hiring vacant positions in the police and fire departments. Also the police and fire departments were not renting and leasing from the Motor pool. Public Works expenses increased due to the construction of the Factory Street Pump Station. Increases in contractual services were caused by increases in costs for trash removal and public utilities, step increase in wages, and increases in benefits. Highways, streets and bridges increased due to new infrastructure construction projects at W. Cross – Wallace to Washtenaw and new ADA ramps at Michigan & Hamilton. These expenses include contractual services, design & construction. Culture and Recreation increased due to the installation of playground equipment at Parkridge Community Center and repairs of the Bridge at Frog Island. Community Development expenses increased due to the Community challenge master plan grant's and increases in contractual services. Public Transportation expenses increased due to contractual services paid to AATA. Interest on long-term debt decreased due to lower interest expense of the refunded of bonds.

Financial Analysis of the City's Governmental Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of $17,528,515, a decrease of $2,151,118 in comparison with the prior year. Approximately 11.6% of this total amount (or $2,033,390) constitutes unassigned fund balance, which is available for spending at the government's discretion. Of the remainder, $3,098,301 represents nonspendable fund balance, $5,327,431 is restricted and $7,069,393 is committed.

The general fund is the chief operating fund of the City. At the end of the current fiscal year, the total fund balance for the general fund was $8,539,567. Of this amount $329,819 represents inventory, prepaid items and land held for resale rendering it nonspendable, and $6,008,192 is committed for vested employee benefits, Water Street bond payments, an energy efficiency project and other uses as seen in the notes to the financial statements. As a measure of the general fund's liquidity it may be useful to compare unassigned fund balance to the total general fund expenditures; $2,201,556 of the general fund's fund balance is unassigned, which represents 17.1% of total general fund expenditures and other financing uses. Overall, the fund balance of the general fund decreased by $119,580 for the year, which was $883,704 less of a decrease than budgeted.

Other factors affecting the general fund financial results for the year include:

- Significant reductions in general fund expenditures compared to the budget included: the account of energy efficiency /conservation, in which the budget amount was $231,082, however the actual expended amount was $3,200.

- Total general fund revenue was down about 2.7% (or $349,714) compared to the prior fiscal year. Most of the City's operating revenue is provided by property taxes that were about 2.0% (or $215,724) less than last fiscal year. The decline in taxable value was partially offset by the expiration of a Brownfield TIFA (tax incremental financing authority; incremental increases in taxes within the TIFA district go to finance a special project; these are taxes the City would normally collect, therefore, when the TIFA expires the incremental increase reverts to the City.) and tax tribunal adjustments affecting taxes for this period that were lower than the prior fiscal year. State shared revenue was up $89,125 or about 4.0% more than the previous year.

The 2006 general obligation fund had an ending fund balance of $2,592,235, of which $2,760,401 is land held for resale (and therefore nonspendable).

General Fund Budgetary Highlights

The City amended the budget to take into account various events occurring during the year. Revenue was $395,497 more than the amended budget. Taxes and special assessments revenues increased due to higher interests on current taxes were collected. Electrical, heating, plumbing, rental inspection-certificate of compliance increased. Revenues from Fire Protection public act 289, Constitutional and EVIP revenue sharing, CDBG and Senior Nutrition grants increased. Ordinance, fines and cost, impounds fees, parking meter and parking ticket revenues increased. Interest revenue increased and loss on appreciation of fair value increased. Miscellaneous revenues were over budgeted but were offset by one-time billing correction revenue from DTE of $72,518. Total expenditures were 465,996 less than the amended budget. Nearly all departments spent less than budgeted except for Personnel Legal, Police, Building Inspection, Parks and Recreation, Community Development. Project replacing all city buildings with LED lighting was delayed until FY 2013-2014.

Capital Assets and Debt Administration

Capital Assets. At the end of 2013, the City had $22,886,305 invested in a broad range of net capital assets including land, land improvements, buildings and improvements, sidewalks, roads, police and fire equipment, vehicles, and other types of equipment.

	Capital Assets (Net of depreciation)	
	Governmental Activities	
	2013	2012
Land	$ 760,443	$ 760,443
Infrastructure	16,556,224	17,774,132
Buildings and improvements	3,748,543	3,785,655
Vehicles and equipment	1,758,794	2,236,868
Construction in progress	62,301	654,292
Total	$22,886,305	$25,211,390

Major capital asset events during the current fiscal year included:

- Tore down and replaced sign shop at DPS

- Installed bulletproof glass at City Clerk/Treasurer office & painted lobby.
- Renovated the repair shop at DPS with insulation, garage doors, roof & hoist.
- Replaced the emergency generator at the Fire building.
- Installed new tot's swing set and deck at Parkridge Center.
- Installed new fuel tank & concrete pit at DPS.
- Installed surveillance cameras at DPS.
- Began installation of street sweeping environmental containment separator
- New fuel tank, piping, sumps & sensors at YFD
- Additional sections of East and West Cross were repaved as part of the ongoing effort to upgrade the City's streets to the extent that federal funding through the Michigan Department of Transportation is available.
- Streetscape additions and improvements were made as part of the East and West Cross paving project in partnership with the Downtown Development Authority.
- The City continued to do sidewalk improvements and install ADA sidewalk ramps using Metro Act funds (MDOT
- DPS purchased one 4x4 crew cab truck out of motor pool funds.
- Police outfitted one cruiser with K-9 equipment from motor pool funds.

Additional information on the City's capital assets can be found in the note 8.

Long-term debt. At the end of the current fiscal year, the City had total bonded debt outstanding of $51,029,535. Of this amount, $21,640,000 is comprised of debt backed by the full faith and credit of the government. The remainder of the City's bonded debt represents bonds secured solely by specified revenue sources.

	General Obligation and Revenue Bonds	
	Governmental activities	
	2013	2012
General obligation bonds	$21,640,000	$23,080,000
Revenue bonds	29,389,535	29,921,984
Total	$51,029,535	$53,001,984

Moody's credit rating on July 16, 2013 for senior lien revenue debt bonds outstanding remains A1. The A1 rating reflects "the sound legal covenants associated with the bonds, expected stability of the enterprise's customer base, satisfactory liquidity, sound senior lien debt service coverage, and moderate debt ratio".

Standard & Poor's rating on September 4, 2013 for outstanding general obligation limited tax debts were A. The A ratings reflect"Participation in the greater Detroit-Ann Arbor economic base; adequate income and low wealth indicators; historically very strong general fund reserves; however, these could be pressured over the long term as the general fund will need to support the repayment of some of the city's debt outstanding; and moderately high debt burden as a percentage of market value".

Additional information on the City's long-term debt can be found in note 12.

Economic Factors and Next Year's Budgets and Rates

Reviewing last year's report, some of the efforts the City mentioned to raise money and cut costs did not come to pass. The efforts that either have come to pass or are expected to come to pass in the near future, include but are not limited to the following listed below.

Revenues:

- The City Council passed a special assessment to cover the cost, approximately $550,000 to convert the majority of its mercury vapor and high-pressured sodium streetlights to LED lights. The result should allow the City to achieve an annual savings between $100,000 and $125,000 per year, by no later than January 2015.

Expenditures:

- The City also moved to operationally consolidate the following City departments and services: Finance and Assessing; Clerk and Treasurer; Planning, Building, Meter Readers and Code Enforcement; and the City Manager's Office and Human Resources Department.

- The City has also negotiated a comprehensive list of Tier II benefits; pay packages for all new City employees will include reductions in sick, vacation, personal time and holidays; negotiated reductions in pension multipliers, the factors included in average compensation calculation (FAC); retiree health insurance as a defined benefit changed to a defined contribution; reduced percentage of one-time sick days that can be paid out at retirement; eliminate employee pension contribution withdrawal; lowered the starting pay for new police officers and firefighters; added an additional pay step for the new police officers and firefighters to get to the top pay step; required employee health insurance deductibles.

- Negotiated a more cost-effective plan for 51 of our current retirees that are receiving retiree health insurance.

- For all employees, the City negotiated a 80-20 share of health insurance premiums.

- Lowered the operating cost of City Hall by converting current lighting to LED lighting.

- Sell off approximately half of the DPS Motor Pool major equipment.

- Restructure police and fire departments to help achieve major reductions in police and fire overtime costs.

- Negotiate a much more beneficial contract (from a cost-standpoint) for trash collection in the City.

- The City is putting forth an agressive effort to attract new economic development to the old Visteon/Ford Plant and vacant property owned by the City.

Contacting the City's Management

This financial report is intended to provide our citizens, taxpayers, customers and investors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional information, you are welcome to contact the clerk's office at (734) 483-1100.

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BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

CITY OF YPSILANTI, MICHIGAN

Statement of Net Position

June 30, 2013

	Primary Government	
	Governmental Activities	Component Units
Assets		
Cash and cash equivalents	$ 17,973,553	$ 815,714
Investments	2,622,046	-
Receivables	27,585,841	-
Prepaid items and other assets	3,192,742	-
Other noncurrent assets - other post-employment benefits asset	186,417	-
Capital assets not being depreciated	822,744	53,200
Capital assets being depreciated, net	22,063,561	2,152,255
Total assets	74,446,904	3,021,169
Deferred outflows of resources		
Deferred charge on refunding	83,208	-
Liabilities		
Accounts payable and accrued expenses	1,995,899	25,075
Due to other governments	69,758	84,389
Unearned revenue	674,854	13,341
Long-term liabilities:		
Due within one year	4,413,332	149,557
Due in more than one year	50,653,735	699,141
Total liabilities	57,807,578	971,503
Net position		
Net investment in capital assets	15,636,305	1,356,757
Restricted for:		
Highways and streets	1,902,832	-
Drug law enforcement	237,819	-
Public transportation	11,550	-
Debt service	2,672,539	-
Capital projects	2,807,126	-
Unrestricted (deficit)	(6,545,637)	692,909
Total net position	$ 16,722,534	$ 2,049,666

The accompanying notes are an integral part of these financial statements.

Statement of Activities

For the Year Ended June 30, 2013

Functions / Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue
Primary government					
Governmental activities:					
General government	$ 2,083,855	$ 1,419,828	$ 204,758	$ 12,486	$ (446,783)
Public safety	7,908,177	1,197,437	45,000	11,772	(6,653,968)
Public works	4,067,582	-	-	-	(4,067,582)
Highways, streets and bridges	3,921,320	-	1,628,163	-	(2,293,157)
Culture and recreation	408,367	-	73,930	-	(334,437)
Community development	292,867	1,500	-	-	(291,367)
Public transportation	308,564	-	-	-	(308,564)
Interest on long-term debt	2,095,288	-	2,330,497	-	235,209
Total primary government	$ 21,086,020	$ 2,618,765	$ 4,282,348	$ 24,258	$ (14,160,649)
Component units					
Community/economic development	$ 452,789	$ -	$ 39,159	$ -	$ (413,630)
Economic development	-	-	-	-	-
Total component units	$ 452,789	$ -	$ 39,159	$ -	$ (413,630)

continued...

Statement of Activities

For the Year Ended June 30, 2013

	Primary Government	
	Governmental Activities	Component Units
Changes in net position		
Net expense	$ (14,160,649)	$ (413,630)
General revenues:		
Property taxes	10,309,164	384,760
Grants and contributions not restricted to specific programs	2,342,612	8,029
Unrestricted investment earnings (loss)	(13,260)	3,412
Total general revenues	12,638,516	396,201
Special item		
Change in market value of land held for resale	(1,995,335)	-
Change in net position	(3,517,468)	(17,429)
Net position, as restated, beginning of year	20,240,002	2,067,095
Net position, end of year	$ 16,722,534	$ 2,049,666

concluded

The accompanying notes are an integral part of these financial statements.

FUND FINANCIAL STATEMENTS

CITY OF YPSILANTI, MICHIGAN

Balance Sheet

Governmental Funds
June 30, 2013

	General	2006 General Obligation	2003 Unlimited Tax Bonds Debt Service	Other Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	$ 8,211,316	$ 242	$ 36,018	$ 6,254,272	$ 14,501,848
Investments	940,672	-	-	-	940,672
Accounts receivable	203,121	-	-	36,284	239,405
Land held for resale	38,644	2,760,401	-	-	2,799,045
Special assessments receivable	75,455	-	-	-	75,455
Due from other funds	-	-	68,383	64,905	133,288
Due from other governments	484,429	-	-	208,855	693,284
Prepaid items	120,139	-	-	8,081	128,220
Inventory	171,036	-	-	-	171,036
Total assets	$ 10,244,812	$ 2,760,643	$ 104,401	$ 6,572,397	$ 19,682,253
Liabilities					
Accounts payable	$ 130,958	$ -	$ -	$ 159,868	$ 290,826
Accrued liabilities	402,848	-	-	19,029	421,877
Due to other funds	133,288	-	-	-	133,288
Due to other governments	68,426	-	-	1,332	69,758
Tax refunds payable	256,813	-	27,667	59,689	344,169
Unearned revenue	493,946	168,408	-	12,500	674,854
Total liabilities	1,486,279	168,408	27,667	252,418	1,934,772
Deferred inflows of resources					
Unavailable revenue	218,966	-	-	-	218,966
Fund balances					
Nonspendable:					
Prepaid items	120,139	-	-	8,081	128,220
Inventory	171,036	-	-	-	171,036
Land held for resale	38,644	2,760,401	-	-	2,799,045
Restricted for:					
Major and local streets	-	-	-	1,902,832	1,902,832
Drug law enforcement	-	-	-	237,819	237,819
Public transportation	-	-	-	11,550	11,550
Debt service	-	-	76,734	3,098,496	3,175,230
Committed for:					
Various purposes (Note 13)	6,008,192	-	-	-	6,008,192
Capital projects	-	-	-	1,061,201	1,061,201
Unassigned (deficit)	2,201,556	(168,166)	-	-	2,033,390
Total fund balances	8,539,567	2,592,235	76,734	6,319,979	17,528,515
Total liabilities, deferred inflows of resources and fund balances	$ 10,244,812	$ 2,760,643	$ 104,401	$ 6,572,397	$ 19,682,253

The accompanying notes are an integral part of these financial statements.

CITY OF YPSILANTI, MICHIGAN

Reconciliation

Fund Balances for Governmental Funds
to Net Position of Governmental Activities
June 30, 2013

Fund balances - total governmental funds	$ 17,528,515
Amounts reported for *governmental activities* in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	
Capital assets	48,065,431
Accumulated depreciation	(26,739,072)
Special assessment and sale of property receivables are expected to be collected over several years but are not available to pay for current year expenditures.	218,966
Discounts and premiums on bonds are reported as other financing uses or sources in the governmental funds, whereas they are capitalized and amortized for net position.	
Deferred charge on refunding	83,208
An internal service fund is used by management to charge the costs of certain equipment usage, insurance and benefits to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.	
Net position of governmental activities accounted for in internal service funds	6,378,173
Certain liabilities, such as bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	
Other noncurrent assets - other postemployment benefits	186,417
Bonds and purchase agreements payable	(54,119,885)
Leases receivable from joint venture entity for debt-financed property	26,570,654
Accrued interest on bonds payable	(502,691)
Compensated absences	(947,182)
Net position of governmental activities	$ 16,722,534

The accompanying notes are an integral part of these financial statements.

CITY OF YPSILANTI, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds
For the Year Ended June 30, 2013

	General	2006 General Obligation	2003 Unlimited Tax Bonds Debt Service	Other Governmental Funds	Total Governmental Funds
Revenues					
Taxes and special assessments	$ 7,798,076	$ -	$ 742,604	$ 1,768,484	$ 10,309,164
Licenses and permits	683,693	-	-	64,724	748,417
Intergovernmental	2,516,934	-	-	4,595,166	7,112,100
Charges for services	733,730	-	-	-	733,730
Fines and forfeits	499,099	-	-	-	499,099
Investment earnings (loss)	(49,620)	-	315	15,568	(33,737)
Other revenues	585,647	-	7,509	78,402	671,558
Total revenues	12,767,559	-	750,428	6,522,344	20,040,331
Expenditures					
Current:					
General government	2,094,605	-	-	119,847	2,214,452
Public safety	6,988,100	-	-	276,700	7,264,800
Public works	754,480	-	-	1,331,245	2,085,725
Refuse collection	-	-	-	1,112,773	1,112,773
Highways, streets and bridges	-	-	-	1,806,267	1,806,267
Parks and recreation	284,251	-	-	-	284,251
Community development	15,510	-	-	76,698	92,208
Public transportation	-	-	-	308,175	308,175
Unallocated employee benefits	1,043,139	-	-	-	1,043,139
Tax tribunal refunds	10,637	-	856	2,242	13,735
Debt service:					
Principal	-	390,000	535,000	2,415,000	3,340,000
Interest and fiscal charges	-	918,408	114,014	1,120,072	2,152,494
Bond issuance costs	-	-	51,678	-	51,678
Total expenditures	11,190,722	1,308,408	701,548	8,569,019	21,769,697
Revenues over (under) expenditures	1,576,837	(1,308,408)	48,880	(2,046,675)	(1,729,366)
Other financing sources (uses)					
Issuance of bonds	-	-	-	1,232,551	1,232,551
Issuance of refunding bonds	-	-	4,140,000	-	4,140,000
Payment to refunding bond escrow agent	-	-	(4,005,000)	-	(4,005,000)
Discount of bonds	-	-	(83,208)	-	(83,208)
Transfers in	11,000	5,895,736	-	852,544	6,759,280
Transfers out	(1,707,417)	-	-	(4,762,623)	(6,470,040)
Total other financing sources (uses)	(1,696,417)	5,895,736	51,792	(2,677,528)	1,573,583
Special item					
Change in market value of land held for resale	-	(1,995,335)	-	-	(1,995,335)
Net changes in fund balances	(119,580)	2,591,993	100,672	(4,724,203)	(2,151,118)
Fund balances (deficit), beginning of year	8,659,147	242	(23,938)	11,044,182	19,679,633
Fund balances, end of year	$ 8,539,567	$ 2,592,235	$ 76,734	$ 6,319,979	$ 17,528,515

The accompanying notes are an integral part of these financial statements.

Reconciliation

Net Changes in Fund Balances of Governmental Funds
to Change in Net Position of Governmental Activities
For the Year Ended June 30, 2013

Net change in fund balances - total governmental funds	$ (2,151,118)
Amounts reported for *governmental activities* in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital outlay expenditures	717,384
Depreciation expense	(2,628,238)
Bond proceeds provide current financial resources to governmental funds in the period issued, but issuing bonds increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	
Refunding and revenue bond proceeds	(5,372,551)
Payment to refunding bond escrow agent	4,005,000
Amortization of deferred charge on refunding	83,208
Principal payments on long-term liabilities	3,340,000
Change in leases receivable for debt-financed property	(536,441)
An internal service fund is used by management to charge the costs of certain equipment usage, insurance and benefits to individual funds. The net revenue (expense) attributable to those funds is reported with governmental activities.	
Operating loss of government internal service funds	(729,215)
Investment income in government internal service funds	22,894
Gain on sale of capital assets in government internal service funds	12,959
Transfers out in governmental internal service funds	(289,240)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the funds.	
Change in other noncurrent assets for other postemployment benefits assets	(140,044)
Change in accrued interest payable on bonds	57,206
Change in the accrual for compensated absences	90,728
Change in net position of governmental activities	$ (3,517,468)

The accompanying notes are an integral part of these financial statements.

CITY OF YPSILANTI, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - General Fund
For the Year Ended June 30, 2013

	Budgeted Amounts			
	Original	Final	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes and special assessments	$ 7,804,058	$ 7,750,648	$ 7,798,076	$ 47,428
Licenses and permits	540,899	634,546	683,693	49,147
Intergovernmental	3,637,522	2,484,611	2,516,934	32,323
Charges for services	491,200	500,900	733,730	232,830
Fines and forfeits	461,931	470,779	499,099	28,320
Investment earnings (loss)	119,955	(14,045)	(49,620)	(35,575)
Other revenues	688,861	544,623	585,647	41,024
Total revenues	13,744,426	12,372,062	12,767,559	395,497
Expenditures				
General government:				
City council	99,950	99,796	97,382	(2,414)
City manager	203,230	216,537	212,263	(4,274)
Community services	852	655	640	(15)
Elections	80,083	82,709	80,719	(1,990)
Accounting	271,988	273,544	263,290	(10,254)
Assessing	89,150	89,188	87,141	(2,047)
General legal	52,140	52,140	52,140	-
Ordinance prosecution	105,000	105,000	105,000	-
Litigation and appeals	162,000	125,000	102,922	(22,078)
Personnel legal	30,000	63,000	72,636	9,636
City clerk	155,614	138,794	131,949	(6,845)
Human resources	149,352	143,764	111,900	(31,864)
Treasurer	186,651	132,243	124,488	(7,755)
Public building maintenance	649,375	650,085	374,778	(275,307)
Planning and development	206,810	291,048	277,357	(13,691)
Total general government	2,442,195	2,463,503	2,094,605	(368,898)
Public safety:				
Police	4,379,322	4,166,688	4,219,558	52,870
Fire	2,412,945	2,433,209	2,372,279	(60,930)
Ordinance enforcement	145,775	167,155	151,203	(15,952)
Building inspection	245,157	240,609	245,060	4,451
Total public safety	7,183,199	7,007,661	6,988,100	(19,561)

continued...

CITY OF YPSILANTI, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - General Fund
For the Year Ended June 30, 2013

	Budgeted Amounts			
	Original	Final	Actual	Actual Over (Under) Final Budget
Expenditures (Concluded)				
Public works:				
Public works department	$ 168,962	$ 169,930	$ 157,848	$ (12,082)
Street lighting	627,000	627,000	596,632	(30,368)
Total public works	795,962	796,930	754,480	(42,450)
Parks and recreation	263,183	279,734	284,251	4,517
Community development	51,245	11,556	15,510	3,954
Unallocated employee benefits	1,054,964	1,080,334	1,043,139	(37,195)
Tax tribunal refunds	82,000	17,000	10,637	(6,363)
Total expenditures	11,872,748	11,656,718	11,190,722	(465,996)
Revenues over expenditures	1,871,678	715,344	1,576,837	861,493
Other financing sources (uses)				
Transfers in	50,000	11,000	11,000	-
Transfers out	(1,737,155)	(1,707,628)	(1,707,417)	211
Total other financing uses	(1,687,155)	(1,696,628)	(1,696,417)	211
Net changes in fund balance	184,523	(981,284)	(119,580)	861,704
Fund balance, beginning of year	8,659,147	8,659,147	8,659,147	-
Fund balance, end of year	$ 8,843,670	$ 7,677,863	$ 8,539,567	$ 861,704

concluded

The accompanying notes are an integral part of these financial statements.

CITY OF YPSILANTI, MICHIGAN

Statement of Net Position

Proprietary Funds - Internal Service Funds
June 30, 2013

Assets	
Current assets:	
Cash and cash equivalents	$ 3,471,705
Investments	1,681,374
Accounts receivable	7,043
Inventory	34,324
Prepaid items	60,117
Total current assets	5,254,563
Noncurrent assets - capital assets, net	1,559,946
Total assets	6,814,509
Liabilities	
Current liabilities:	
Accounts payable and accrued liabilities	27,443
Current portion of claims payable	151,200
Total current liabilities	178,643
Noncurrent liabilities - claims payable, net	257,693
Total liabilities	436,336
Net position	
Invested in capital assets	1,559,946
Unrestricted	4,818,227
Total net position	$ 6,378,173

The accompanying notes are an integral part of these financial statements.

CITY OF YPSILANTI, MICHIGAN

Statement of Revenues, Expenses and Changes in Net Position

Proprietary Funds - Internal Service Funds
For the Year Ended June 30, 2013

Operating revenues	
Charges for services	$ 1,757,765
Operating expenses	
Salaries, taxes and benefits	240,062
Gas, oil and fuel	151,822
Depreciation	448,247
Operation and maintenance	115,098
Contractual services and fees	260,543
Insurance and other	57,363
Benefits and claims	1,213,845
Total operating expenses	2,486,980
Operating loss	(729,215)
Nonoperating revenues	
Investment income	22,894
Gain on sale of equipment	12,959
Total nonoperating revenues	35,853
Loss before transfers	(693,362)
Transfers out	(289,240)
Change in net position	(982,602)
Net position, beginning of year	7,360,775
Net position, end of year	$ 6,378,173

The accompanying notes are an integral part of these financial statements.

CITY OF YPSILANTI, MICHIGAN

Statement of Cash Flows

Proprietary Funds - Internal Service Funds
For the Year Ended June 30, 2013

Cash flows from operating activities	
Cash received from interfund services	$ 1,969,150
Cash payments to employees	(240,062)
Cash payments for claims	(1,183,404)
Cash payments to suppliers for goods and services	(817,419)
Net cash used in operating activities	(271,735)
Cash flows from noncapital financing activities	
Transfer to other funds	(289,240)
Cash flows from capital and related financing activities	
Purchase of capital assets	(34,016)
Proceeds from sale of capital assets	12,959
Net cash used in capital and related financing activities	(21,057)
Cash flows from investing activities	
Redemption of investments	452,577
Investment income	22,894
Net cash provided by investing activities	475,471
Change in cash and cash equivalents	(106,561)
Cash and cash equivalents, beginning of year	3,578,266
Cash and cash equivalents, end of year	$ 3,471,705

continued...

CITY OF YPSILANTI, MICHIGAN

Statement of Cash Flows

Proprietary Funds - Internal Service Funds
For the Year Ended June 30, 2013

Reconciliation of operating loss to net cash used in operating activities	
Operating loss	$ (729,215)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation	448,247
Changes in:	
Accounts receivable	(3,524)
Due from other governments	214,909
Inventory	(16,799)
Prepaid items	(8,056)
Accounts payable and accrued liabilities	(207,577)
Claims payable	30,280
Net cash used in operating activities	$ (271,735)

concluded

The accompanying notes are an integral part of these financial statements.

CITY OF YPSILANTI, MICHIGAN

Statement of Fiduciary Net Position

Fiduciary Funds
June 30, 2013

	Police and Fire Retirement System Trust	Current Tax Agency Fund
Assets		
Cash and cash equivalents	$ 1,380,434	$ 62,771
Investments:		
U.S. agencies	2,130,052	-
Corporate bonds	4,730,860	-
Domestic equities	13,211,266	-
International equities	868,845	-
Mutual funds	5,536,015	-
Real estate investment trusts	489,340	-
Money market accounts	553,302	-
Accrued interest receivable	-	11
Total assets	28,900,114	$ 62,782
Liabilities		
Undistributed receipts	-	$ 62,782
Accounts payable	780,400	-
Total liabilities	780,400	$ 62,782
Net position		
Held in trust for pension benefits	$ 28,119,714	

The accompanying notes are an integral part of these financial statements.

CITY OF YPSILANTI, MICHIGAN

Statement of Changes in Fiduciary Net Position

Fiduciary Funds - Police and Fire Retirement System Trust Fund
For the Year Ended June 30, 2013

Additions	
Investment income:	
Net apppreciation in fair value of investments	$ 2,553,509
Interest and dividends	751,395
Less investment management fees	(101,330)
Net investment income	3,203,574
Contributions:	
City of Ypsilanti	1,222,085
Participants	303,679
Total contributions	1,525,764
Total additions	4,729,338
Deductions	
Participant benefits	3,106,675
Participant refunds	379,667
Administrative expenses	74,962
Total deductions	3,561,304
Net change to net position held in trust for benefits	1,168,034
Net position held in trust for pension benefits, beginning of year	26,951,680
Net position held in trust for pension benefits, end of year	$ 28,119,714

The accompanying notes are an integral part of these financial statements.

COMPONENT UNIT FINANCIAL STATEMENTS

Combining Statement of Net Position

Component Units
June 30, 2013

	Downtown Development Authority	Depot Town Downtown Development Authority	Economic Development Corporation	Totals
Assets				
Cash and cash equivalents	$ 276,957	$ 330,411	$ 208,346	$ 815,714
Capital assets not being depreciated	-	-	53,200	53,200
Capital assets being depreciated, net	1,874,368	277,887	-	2,152,255
Total assets	2,151,325	608,298	261,546	3,021,169
Liabilities				
Accounts payable	8,252	2,764	-	11,016
Accrued liabilities	14,043	16	-	14,059
Due to other governments	365	11,860	72,164	84,389
Unearned revenues	6,500	6,841	-	13,341
Long-term liabilities:				
Due within one year	131,400	18,157	-	149,557
Due in more than one year	671,510	27,631	-	699,141
Total liabilities	832,070	67,269	72,164	971,503
Net position				
Invested in capital assets	1,071,458	232,099	53,200	1,356,757
Unrestricted	247,797	308,930	136,182	692,909
Total net position	$ 1,319,255	$ 541,029	$ 189,382	$ 2,049,666

The accompanying notes are an integral part of the financial statements.

Combining Statement of Activities

Component Units
For the Year Ended June 30, 2013

	Downtown Development Authority	Depot Town Downtown Development Authority	Economic Development Corporation	Totals
Expenses				
Community / economic development	$ 352,291	$ 99,038	$ 1,460	$ 452,789
Program revenues				
Operating grants and contributions	11,000	28,159	-	39,159
Net program expense	(341,291)	(70,879)	(1,460)	(413,630)
General revenues				
Property taxes	293,332	91,428	-	384,760
Other revenue	6,699	1,330	-	8,029
Unrestricted investment earnings	1,317	1,267	828	3,412
Total general revenues	301,348	94,025	828	396,201
Change in net position	(39,943)	23,146	(632)	(17,429)
Net position, beginning of year	1,359,198	517,883	190,014	2,067,095
Net position, end of year	$ 1,319,255	$ 541,029	$ 189,382	$ 2,049,666

The accompanying notes are an integral part of the financial statements.

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NOTES TO THE FINANCIAL STATEMENTS

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Notes to Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Ypsilanti, Michigan have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

Reporting Entity

The City of Ypsilanti is governed by an elected seven-member council. The accompanying financial statements present the City and its component units, entities for which the City is considered to be financially accountable. Although blended component units are legal separate entities, in substance, they are part of the City's operations, whereas discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the City.

The component units discussed below are included in the City's reporting entity because of the significance of their operational or financial relationship with the City. Each blended or discretely presented component unit has a June 30 year end.

Blended Component Units - The City has no blended component units.

Discretely Presented Component Units - Following is a summary of the City's discretely presented component units:

Downtown Development Authority (DDA) – The DDA is responsible for correcting and preventing deterioration in the downtown district, encourages historical preservation and promotes economic growth within the district. The City Council appoints and may remove board members and approves the budget. Separate financials are not prepared.

Depot Town Downtown Development Authority (DDA) – The Depot Town DDA is responsible for promoting development and preservation of the Depot Town DDA district. The City Council appoints and may remove board members and approves the budget. Separate financials are not prepared.

Economic Development Corporation (EDC) - The EDC is responsible for providing means and methods to encourage and assist industrial and commercial development within the City. The City Council appoints and may remove board members and approves the budget. Separate financials are not prepared.

Brownfield Redevelopment Authority (BRA) - The BRA is responsible for administering brownfield redevelopment projects. The City Council appoints and may remove board members and approves the budget. Separate financials are not prepared; the BRA had no financial activity for the current year.

Basis of Presentation

Government-wide and Fund Financial Statements

Government-wide Financial Statements. The statements of net position and activities display information on the primary government and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. As a general rule the effect of interfund activity has been removed from the government-wide financial statements, except for payments-in-lieu of taxes and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various applicable functions. Although government-wide financial statements generally distinguish between *governmental* and *business-type activities,* the City has no business-type activities and, therefore, only reports governmental activities. Governmental activities generally are financed through taxes and intergovernmental revenues.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements. The fund financial statements provide information about the City's funds, including its fiduciary funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-wide, Proprietary and Fiduciary Fund Financial Statements. The government-wide, proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, except for agency funds, which do not have a measurement focus. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenue and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the City's internal service funds are charges to other funds of the City for various services. Operating expenses for internal service funds include these services, administrative expenses, and depreciation on capital assets. All revenue and expense not meeting this definition are reported as nonoperating revenue and expenses.

Nonexchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements and donations. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental Fund Financial Statements. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Property taxes, franchise taxes, licenses and interest are considered to be susceptible to accrual.

Expenditures generally are recorded when a related fund liability is incurred, except for debt service expenditures, compensated absences, and claims and judgments, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds from general long-term debt and acquisitions under capital leases, if any, are reported as other financing sources.

Under the terms of grant agreements, the City funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when an expense is incurred for purposes for which both restricted and unrestricted net assets are available, the City's policy is to first apply restricted resources.

The City reports the following major governmental funds:

The *general fund* is the government's primary operating fund. It accounts for all the financial resources of the general government, except those accounted for and reported in another fund.

The *2006 general obligation capital projects fund* accounts for activity related to the purchase and development of various properties located within the City. Revenues come from various grants and proceeds from sale of land.

The *2003 unlimited tax bonds fund* is a debt service fund that is used to account for all financial resources restricted, committed or assigned to expenditure for principal and interest related to the 2003 general obligation bonds.

Additionally, the City reports the following fund types:

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Debt service funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest on long-term general obligation debt of governmental funds.

Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets that are not being financed by proprietary funds.

Internal service funds are proprietary funds used to account for major machinery and equipment purchases and maintenance, retiree health care, as well as risk management services provided to other departments of the City on a cost reimbursement basis.

The p*ension trust fund* is a fiduciary fund that accounts for the activities of the Police and Fire Employees' Retirement System. This fund accumulates resources for pension benefit payments to qualified police and fire employees through the collection of property tax revenues.

Agency funds are custodial in nature and do not present results of operations or have a measurement focus. These funds are used to account for assets that the government holds for others in an agency capacity (such as taxes collected for other governments).

Assets, Liabilities and Equity

Deposits and Investments

State statutes authorize the government to deposit in the accounts of federally insured banks, credit unions, and savings and loan associations, and to invest in obligations of the U.S. Treasury, certain commercial paper, repurchase agreements, bankers' acceptances, and mutual funds composed of otherwise legal investments. The State's Pension Investment Act, as amended, authorizes the pension trust fund to invest in common stocks, real estate, and various other investment instruments, subject to certain limitations.

Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired.

Investments are stated at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Mortgages are valued on the basis of future principal and interest payments, and are discounted at prevailing interest rates for similar instruments. Investments that do not have established market values are reported at estimated fair value. Cash deposits are reported at carrying amounts, which reasonably approximates fair value.

Unrealized appreciation or depreciation on pension trust fund investments due to changes in fair value are recognized each year.

Receivables and Payables

In general, outstanding balances between funds are reported as "due to/from other funds". Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as "advances to/from other funds". All trade receivables are shown net of allowance for uncollectible amounts.

Inventory, Prepaid Items and Other Assets

Inventory in the general and internal service funds is valued at cost using the first-in/first-out method, which approximates market value. Inventory of governmental funds is recorded as an expenditure when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items, when incurred, in both the government-wide and fund financial statements.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the governmental activities column in the government-wide financial statements. The government defines capital assets as assets with an initial, individual cost of more than $1,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

Capital assets of the primary government are depreciated using the straight line method over the following estimated useful lives:

Assets	Years
Infrastructure	15
Buildings and improvements	5-70
Vehicles and equipment	3-20

Deferred Outflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

Compensated Absences

It is the government's policy to permit employees to accumulate earned but unused sick and vacation pay benefits. All sick and vacation pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations or retirements.

Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Deferred Inflows of Resources

In addition to liabilities, the statement of financial position and governmental funds balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents revenue that applies to one or more future periods and so will not be recognized as an inflow of resources until that time. The governmental funds report unavailable revenues, which arise only under a modified accrual basis of accounting. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Fund Balances

Governmental funds report nonspendable fund balance for amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Restricted fund balance is reported when externally imposed constraints are placed on the use of resources by grantors, contributors, or laws or regulations of other governments. Committed fund balance is reported for amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the City Council; a formal resolution of the City Council is required to establish, modify, or rescind a fund balance commitment. Assigned fund balance is reported in instances where the City Council has given authority for the making of such assignments to City management; assigned fund balances are neither restricted nor committed. Unassigned fund balance is the residual classification for the general fund.

When the government incurs expenditures for purposes for which various fund balance classifications can be used, it is the government's policy to use restricted fund balance first, then committed, assigned and finally unassigned fund balance.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Notes to Financial Statements

2. BUDGETARY INFORMATION

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general and special revenue funds. All annual appropriations lapse at year end. The annual budget for the next fiscal year is prepared by the City's management by June 1 of each year and adopted by the City Council no later than June 30 of each year (i.e., prior to the start of the next fiscal year); subsequent amendments are approved by the City Council.

Budgetary control is exercised at the fund level although the budget is approved at the fund level; expenditures in excess of amounts appropriated at this level are a violation of Michigan law. The accompanying budget to actual comparisons are presented at a greater level of detail than the adopted budget for management analysis only. Supplemental budgetary appropriations were made during the year, the total of which was not significant in relation to the original appropriations.

Encumbrance accounting, under which purchase orders, contracts and other firm commitments are used for the expenditure of monies, is utilized as an extension of formal budgetary control in the governmental funds. Encumbered amounts lapse at year-end.

3. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

State statutes provide that a local unit shall not incur expenditures in excess of the amounts appropriated. The approved budgets of the City were adopted on a fund level basis. During the year ended June 30, 2013, the government incurred expenditures in excess of the amounts appropriated at the legal level of budgetary control as follow:

	Final Budget	Actual	Variance
Nonmajor special revenue funds			
Garbage and Rubbish Collection			
Refuse collection	$ 1,094,690	$ 1,112,773	$ (18,083)

4. CONSTRUCTION CODE FEES

The City oversees building construction in accordance with the State's Construction Code Act, including inspection of building construction and renovation to ensure compliance with the building codes. The City charges fees for these services. Beginning January 1, 2000, the law requires that collection of these fees be used only for construction costs, including an allocation of estimated overhead costs.

A summary of current year activity and the cumulative shortfall generated since January 1, 2000 is as follows:

Current year building permit revenue	$ 217,804
Less related expenditures:	
Direct costs	243,892
Estimated indirect costs	26,538
Current year shortfall	(52,626)
Cumulative shortfall, beginning of year	(795,779)
Cumulative shortfall, end of year	$ (848,405)

5. DEPOSITS AND INVESTMENTS

Following is a reconciliation of deposit and investment balances as of June 30, 2013:

	Primary Governments	Component Units	Total
Statement of net position			
Cash and cash equivalents	$ 17,973,553	$ 815,714	$ 18,789,267
Investments	2,622,046	-	2,622,046
Statement of fiduciary net position			
Cash and cash equivalents:			
Pension trust fund	1,380,434	-	1,380,434
Agency fund	62,771	-	62,771
Investments - pension trust fund	27,519,680	-	27,519,680
	$ 49,558,484	$ 815,714	$ 50,374,198

Deposits and investments:	
Bank deposits (checking, savings and certificates of deposit)	$ 19,146,802
Investments in securities, mutual funds and similar vehicles:	
City investment pool	3,700,141
Pension trust fund	27,519,680
Cash on hand	7,575
Total	$ 50,374,198

Custodial Credit Risk - Deposits. For deposits, custodial credit risk is the risk that, in the event of a bank failure, the City's deposits may not be returned to the government. As of June 30, 2013, $18,562,115 of the City's total bank balance of $19,312,116 (total book balance was $19,146,802) was exposed to custodial credit risk as it was uninsured and uncollateralized.

The City's depository and investment policy does not specifically address this risk, although the City believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all bank deposits. As a result, the City evaluates each financial institution with which it deposits City funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

Custodial Credit Risk – City Investment Pool. The City's investments of $3,700,141 as of June 30, 2013 consisted of amounts held in a Securities and Exchange Commission registered external local government investment pool ($1,078,097) and amounts held in securities of U.S. agencies ($2,622,044). For investments, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's investment policy requires that investment securities be held in third-party safekeeping by a designated institution and that the safekeeping agent follow the procedure of delivery vs. payment. As of June 30, 2013, none of the City's investments were exposed to custodial credit risk as they were held in the City's name by the counterparty.

Credit Risk. As of June 30, 2013, all of the City's investments in securities of U.S. agencies were rated Aaa by Moody's. The City's investment in the external local government investment pool was rated AAA/m by Standard & Poors (S&P). The City's investment policy does not have specific limits in excess of State law on investment credit risk.

Concentration of Credit Risk. At June 30, 2013, the investment portfolio of the City was concentrated 48.3% in securities of the Federal National Mortgage Association. The City's investment policy does not address concentration of credit risk.

Interest Rate Risk. Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of investments. As of June 30, 2013, maturities of the City's investments in the debt securities of U.S. agencies were more than ten years. The average maturity of the underlying investments in the external local government investment pool was less than 60 days. The City's investment policy does not address interest rate risk.

6. INVESTMENTS - PENSION TRUST FUND

The investments of the Police and Fire Retirement System Trust Fund (the "System") are separate from the City's investments, and are subject to other investment policies and state statutes. Accordingly, the required disclosures for these investments are presented separately.

The Michigan Public Employees Retirement Systems' Investment Act, Public Act 314 of 1965, as amended, authorizes the System to invest in stocks, government and corporate securities, mortgages, real estate, and various other investment instruments, subject to certain limitations. The Retirement Board has the responsibility and authority to oversee the investment portfolio. Various professional investment managers are contracted to assist in managing the System's assets. All investment decisions are subject to Michigan law and the investment policy established by the Retirement Board.

The System's investments are held in a bank-administered trust fund. Following is a summary of the System's investments as of June 30, 2013:

Investments at fair value, as determined by quoted market price:	
U.S agencies	$ 2,130,052
Corporate bonds	4,730,860
Domestic equities	13,211,266
International equities	868,845
Mutual funds	5,536,015
Domestic real estate investment trusts	489,340
Money market accounts	553,302
Total investments	$ 27,519,680

Credit Risk. As of June 30, 2013, the System's investments in U.S. agencies were rated Aaa by Moody's Investor Services and its domestic corporate bonds were rated as follows:

Aa3	$ 328,473
A1	631,826
A2	1,155,343
A3	784,837
Baa1	184,936
Baa2	1,645,445
Totals	$ 4,730,860

The System's policy regarding credit risk provides that a minimum of 70% of fixed income investments must be in the top three major grades as determined by Moody's and the balance must be in the top four major grades.

Custodial Credit Risk. For investments, custodial credit risk is the risk that, in the event of the failure of the counterparty, the System will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The System's investment policy requires that investment securities be held in trust by a third-party institution in the System's name. As such, although uninsured and unregistered, the System's investments are not exposed to custodial credit risk since the securities are held by the counterparty's trust department in the System's name. Short-term investments in money market funds are not subject to custodial credit risk.

Concentration of Credit Risk. At June 30, 2013, the System did not have any holdings in any one issue greater that 5% of the total investment portfolio.

The System's policy regarding concentration of credit risk does not specify limits regarding concentration of credit risk, although it provides guidelines regarding target maximums for investment types.

Interest Rate Risk. As of June 30, 2013, maturities of the System's debt securities were as follows:

		Investment Maturities (fair value by years)			
	Fair Value	Less Than 1	1-5	6-10	More Than 10
U.S. agencies	$ 2,130,052	$ -	$ 27,653	$ -	$ 2,102,399
Corporate bonds	4,730,860	-	2,185,642	1,723,379	821,839
	$ 6,860,912	$ -	$ 2,213,295	$ 1,723,379	$ 2,924,238

Of the above corporate bonds, $202,882 of the total is callable.

The System's policy regarding interest rate risk provides that fixed income maturities may not exceed 30 years; the System's holdings comply with this requirement.

Foreign Currency Risk. Foreign currency risk is the risk that significant fluctuations in exchange rates may adversely affect the fair value of an investment. The System's exposure to foreign currency risk is summarized as follows:

Investment / Country	Currency	Fair value (U.S. dollars)
International equities		
Cayman Islands	Cayman Island dollar	$ 83,984
Ireland	European euro	70,258
Great Britian	British pound	52,307
Netherlands	European euro	226,752
Netherlands Antilles	Netherlands Antillean guilder	96,741
Switzerland	Swiss franc	48,854
Taiwan	Taiwan dollar	176,330
Canada	Canadian dollar	113,619
Total		$ 868,845

In addition to the above, the System's holdings in mutual funds are primarily composed of underlying investments in international equities (approximately 65% of total mutual fund holdings of $5,536,015), predominately in Japanese, European and other Asian companies. The residual mutual fund underlying investments are in gold, cash and cash equivalents, international bonds and U.S. equities.

The System restricts the amount of investment in foreign currency-denominated investments to 20% of total pension system investment.

7. RECEIVABLES

Receivables in the governmental activities are 96.3% leases (6.6% of which will be collected in one year), 2.5% due from other governments and 1.2% other receivables.

8. CAPITAL ASSETS

Capital asset activity of the City's governmental activities was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets not being depreciated:				
Land	$ 760,443	$ -	$ -	$ 760,443
Construction in progress	654,292	538,920	(1,130,911)	62,301
	1,414,735	538,920	(1,130,911)	822,744
Capital assets being depreciated:				
Infrastructure	37,959,671	1,130,911	-	39,090,582
Buildings and improvements	6,607,243	164,214	(1,089)	6,770,368
Vehicles and equipment	7,823,822	48,266	(112,575)	7,759,513
	52,390,736	1,343,391	(113,664)	53,620,463
Less accumulated depreciation for:				
Infrastructure	20,185,539	2,348,819	-	22,534,358
Buildings and improvements	2,821,588	201,326	(1,089)	3,021,825
Vehicles and equipment	5,586,954	526,340	(112,575)	6,000,719
	28,594,081	3,076,485	(113,664)	31,556,902
Total capital assets being depreciated, net	23,796,655	(1,733,094)	-	22,063,561
Governmental activities capital assets, net	$ 25,211,390	$ (1,194,174)	$ (1,130,911)	$ 22,886,305

Depreciation expense was charged to programs of the primary government as follows:

Governmental activities	
General government	$ 55,762
Public safety	103,219
Public works	45,522
Highways, streets and bridges	2,329,949
Culture and recreation	93,786
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	448,247
Total depreciation expense - governmental activities	$ 3,076,485

Capital asset activity of the City's component units was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Component units				
Capital assets not being depreciated:				
Land	$ 53,200	$ -	$ -	$ 53,200
Construction in progress	172,956	1,330	(174,286)	-
	226,156	1,330	(174,286)	53,200
Capital assets being depreciated -				
Buildings and improvements	3,464,766	174,286	-	3,639,052
Less accumulated depreciation for -				
Buildings and improvements	1,371,110	115,687	-	1,486,797
Total capital assets being depreciated, net	2,093,656	58,599	-	2,152,255
Component units capital assets, net	$ 2,319,812	$ 59,929	$ (174,286)	$ 2,205,455

9. PAYABLES

Payables in the governmental activities are 14.4% accrued liabilities, 11.4% property tax refunds, 16.7% interest, 13.5% claims, 36.8% vendors, and 7.2% due to other governments.

10. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

	Due from Other Funds	Due To Other Funds
General fund	$ -	$ 133,288
2003 unlimited tax bonds debt service fund	68,383	-
Nonmajor governmental funds	64,905	-
	$ 133,288	$ 133,288

Generally, transfers are used to: (1) move revenues from the fund that is required to collect them to the fund that is required or allowed to expend them; (2) move receipts restricted to or allowed for debt service from the funds collecting the receipts to the debt service fund as debt service payments become due; and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. The effect of interfund activity has been eliminated from the government-wide financial statements.

Most significant of the transfers below was $5,895,736 transferred from the land revolving capital projects fund and general fund to the 2006 general obligation capital project fund for land held for resale.

	Transfers In			
Transfers Out	General Fund	2006 General Obligation	Nonmajor Governmental Funds	Totals
General fund	$ -	1,308,407	$ 399,010	$ 1,707,417
Nonmajor governmental funds	11,000	4,587,329	164,294	4,762,623
Internal service funds	-	-	289,240	289,240
	$ 11,000	$ 5,895,736	$ 852,544	$ 6,759,280

11. CONTINGENT LIABILITIES

Amounts received or receivable from grantor agencies are subject to audit and potential adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

The government is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the government's counsel that resolution of these matters will not have a material adverse effect on the financial condition of the government.

The City is currently involved in various tax appeals pending before the Michigan Tax Tribunal. The appeals cover various commercial and industrial properties for the years 2005 through 2012. Due to the large number of appeals currently before the Tribunal, the time frame for resolution of these matters is unknown at this time. An estimate of the City's maximum exposure is $600,000 dollars. The City is vigorously defending all such litigation.

12. LONG-TERM DEBT

Primary Government

General obligation bonds. The government issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for governmental activities. The original amount of general obligation bonds issued in prior years for the items listed below was $26,435,000.

General obligation bonds are direct obligations that pledge the full faith and credit of the government. These bonds are issued as 10 to 20-year serial bonds with varying amounts of principal maturing each year. General obligation bonds currently outstanding are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
2010 refunding bonds	$ 3,225,000	$ -	$ (620,000)	$ 2,605,000	$ 630,000
2002 capital improvements	195,000	-	(30,000)	165,000	30,000
2003 capital improvements	4,540,000	-	(4,540,000)	-	-
2006 property remediation	15,120,000	-	(390,000)	14,730,000	445,000
2013 refunding bonds	-	4,140,000	-	4,140,000	610,000
	$ 23,080,000	$ 4,140,000	$ (5,580,000)	$ 21,640,000	$ 1,715,000

Annual debt service requirements to maturity for general obligation bonds are as follows:

	Principal	Interest
2014	$ 1,715,000	$ 1,006,607
2015	1,800,000	957,348
2016	1,860,000	903,228
2017	1,915,000	846,756
2018	1,450,000	794,455
2019-2023	4,405,000	3,313,089
2024-2028	4,825,000	1,831,654
2029-2031	3,670,000	464,070
	$ 21,640,000	$ 10,117,207

The City issued $4,140,000 in refunding bonds during the year to advance refund $4,005,000 in 2003 capital improvement bonds in order to reduce debt service by $315,819 and a net present value savings of $305,819 over the next 6 years. At June 30, 2013, the City had defeased $4,005,000 of bonds.

Notes to Financial Statements

Revenue bonds. The City also issues bonds where the income derived from the acquired or constructed assets is pledged to pay debt service. In this instance, the income is derived from Ypsilanti Community Utilities Authority (*see Joint Venture note*), which manages and operates the related water and wastewater systems. The original amount of revenue bonds issued in prior years for the items listed below was $52,730,000. Revenue bonds outstanding at year-end are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
2001 Water/Sewer	$ 940,000	$ -	$ (70,000)	$ 870,000	$ 85,000
2002-A Water/Sewer	1,100,000	-	(100,000)	1,000,000	120,000
2002-B Water/Sewer (DWRF)	280,000	-	(25,000)	255,000	25,000
2002-C Water/Sewer	3,535,000	-	(280,000)	3,255,000	295,000
2003-A Water/Sewer	1,535,000	-	(520,000)	1,015,000	510,000
2003-B Water/Sewer	1,280,000	-	(40,000)	1,240,000	45,000
2003-C Water/Sewer (DWRF)	520,000	-	(40,000)	480,000	40,000
2003-D Water/Sewer (DWRF)	3,490,000	-	(255,000)	3,235,000	260,000
2004-A Water/Sewer	2,270,000	-	(70,000)	2,200,000	70,000
2004-B Water/Sewer (DWRF)	4,415,000	-	(300,000)	4,115,000	305,000
2006 Water/Sewer Refunding	9,795,000	-	(25,000)	9,770,000	25,000
2007 Water/Sewer (DWRF)	253,702	-	(15,000)	238,702	15,000
2008 Water/Sewer (DWRF)	379,253	-	(20,000)	359,253	20,000
2009 Water/Sewer (DWRF)	129,029	-	(5,000)	124,029	5,000
2012 Water/Sewer (DWRF)	-	1,232,551	-	1,232,551	-
	$ 29,921,984	$ 1,232,551	$ (1,765,000)	$ 29,389,535	$ 1,820,000

DWRF = Drinking Water Revolving Fund (State of Michigan)

Annual debt service requirements to maturity for revenue bonds are as follows:

	Principal	Interest
2014	$ 1,820,000	$ 1,014,107
2015	1,995,000	955,240
2016	1,880,000	888,457
2017	1,950,000	821,845
2018	2,005,000	786,064
2019-2023	11,160,000	2,649,102
2024-2028	8,546,253	760,283
2029-2032	33,282	416
	$ 29,389,535	$ 7,875,514

Notes to Financial Statements

Installment Obligations. The government has entered into various long-term loan and installment payment agreements. Such obligations outstanding at year-end are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
2003 CDBG loan (noncapital)	$ 2,750,350	$ -	$ -	$ 2,750,350	$ -
Biltmore agreement	340,000	-	-	340,000	-
	$ 3,090,350	$ -	$ -	$ 3,090,350	$ -

Annual debt service requirements to maturity for installment purchase agreements are as follows:

	Principal	Interest
2014	$ -	$ -
2015	-	-
2016	150,000	30,000
2017	125,000	54,000
2018	130,000	49,000
2019-2023	750,000	161,000
2024-2027	1,595,350	20,800
	2,750,350	314,800
Biltmore agreement	340,000	-
	$ 3,090,350	$ 314,800

Repayment of the remaining $340,000 on the Biltmore agreement is contingent upon certain future events occurring between now and 2030, primary of which is the City's sale of the former Biltmore property. The likelihood of such future sale is presently indeterminable.

Component Units

Component unit general obligation bonds outstanding at June 30, 2013 are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
1994 Downtown Development Limited	$ 155,000	$ -	$ (75,000)	$ 80,000	$ 80,000
2004-A Downtown Development Limited	770,000	-	(50,000)	720,000	50,000
	$ 925,000	$ -	$ (125,000)	$ 800,000	$ 130,000

Annual debt service requirements to maturity for component unit general obligation bonds are as follows:

	Principal	Interest
2014	$ 130,000	$ 35,968
2015	55,000	28,948
2016	55,000	26,858
2017	60,000	24,685
2018	60,000	22,255
2019-2023	360,000	68,830
2024-2027	80,000	3,680
	$ 800,000	$ 211,224

Component unit revenue bonds outstanding at June 30, 2013 are as follows:

	Beginning Balance	Reductions	Ending Balance	Due Within One Year
2000 Depot Town Downtown Development	$ 61,855	$ (17,270)	$ 44,585	$ 18,157

Annual debt service requirements to maturity for component unit revenue bonds are as follows:

	Principal	Interest
2014	$ 18,157	$ 2,357
2015	19,275	1,237
2016	7,153	177
	$ 44,585	$ 3,771

Changes in Long-term Debt. Long-term debt activity for the year ended June 30, 2013, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Primary Government					
General obligation bonds	$ 23,080,000	$ 4,140,000	$ (5,580,000)	$ 21,640,000	$ 1,715,000
Revenue bonds	29,921,984	1,232,551	(1,765,000)	29,389,535	1,820,000
Installment obligations	3,090,350	-	-	3,090,350	-
Compensated absences	1,037,910	878,332	(969,060)	947,182	878,332
	$ 57,130,244	$ 6,250,883	$ (8,314,060)	$ 55,067,067	$ 4,413,332
Component Units					
General obligation bonds	$ 925,000	$ -	$ (125,000)	$ 800,000	$ 130,000
Revenue bonds	61,855	-	(17,270)	44,585	18,157
Compensated absences	3,536	577	-	4,113	1,400
	$ 990,391	$ 577	$ (142,270)	$ 848,698	$ 149,557

For the governmental activities, compensated absences, net pension benefit obligations and net other postemployment benefit obligations, if any, are generally liquidated by the general fund.

13. COMMITTED FUND BALANCE

The components of the committed fund balance in the City's general fund are as follows:

Committed fund balance	
Active employees cumulative benefits	$ 947,183
Water Street project bond payments	4,650,653
Water Street redevelopment professional fees	50,000
Energy efficiency and conservation project	247,463
Peninsular dam inspection study and repair	100,000
MDNR 2011 Recreation Passport Grant (Res # 2011-092)	10,000
Park capital improvements	2,893
Total committed fund balance	$ 6,008,192

14. INVESTED IN CAPITAL ASSETS

Net investment in capital assets of the governmental activities were comprised of the following at June 30, 2013:

Capital assets not being depreciated	$ 822,744
Capital assets being depreciated, net	22,063,561
General obligation bonds	(21,640,000)
Revenue bonds	(29,389,535)
Installment obligations	(3,090,350)
Add back debt that did not produce City capital assets:	
General obligation bonds	14,730,000
Revenue bonds	29,389,535
Installment obligations	2,750,350
Total net investment in capital assets	$ 15,636,305

15. RISK MANAGEMENT

The City is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation), as well as medical benefits provided to employees. The City has purchased commercial insurance for medical claims and participates in the Michigan Municipal League Liability and Property Pool for claims relating to property and general liability; the City is self-insured for workers' compensation claims. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

The Michigan Municipal League risk pool program operates as a common risk-sharing management program for local units of government in Michigan; member premiums are used to purchase commercial excess insurance coverage and to pay member claims in excess of deductible amounts.

The City estimates the liability for workers' compensation claims that have been incurred through the end of the fiscal year, including claims that have been reported as well as those that have not yet been reported. Changes in the estimated liability for the past two fiscal years were as follows (approximately 40 percent of the total liability is classified as current, the remaining as noncurrent):

	2013	2012
Estimated liability, beginning of year	$ 378,613	$ 319,632
Estimated claims incurred, including changes in estimates	504,413	404,298
Claim payments	(474,133)	(345,317)
Estimated liability, end of year	$ 408,893	$ 378,613

16. PROPERTY TAXES

The government's property taxes are levied each July 1 on the taxable valuation of property located in the City as of the preceding December 31, the lien date. Property taxes are payable without penalty and interest through September 14; as of February 14 of the succeeding year, unpaid real property taxes are sold to and collected by Washtenaw County. Assessed values, as established annually by the government and subject to acceptance by the County, are equalized by the State at an estimated 50% of current market value. The taxable value of real and personal property in the City for the 2012 levy was $290,729,097. The government's general operating tax rate for fiscal 2012-13 was 19.0211 mills plus 2.7814 mills for sanitation, 5.02430 mills for streets, 0.9789 for public transit and 7.4003 mills for police and fire pension. Property taxes are recognized in the fiscal year in which they are levied.

Property taxes for the component units are derived from tax increment financing agreements with the various applicable taxing authorities. Under these arrangements, the tax increment finance entities receive the property taxes levied on the increment of current taxable values over the base year values on those properties located within the established tax increment financing district.

17. DEFINED BENEFIT PENSION PLANS

Police and Fire Retirement System

The Police and Fire Retirement System is a single-employer defined benefit pension plan that is administered by the City of Ypsilanti Police and Fire Employees' Retirement System (the "System"); this plan covers all full-time police and fire employees of the City. The System provides retirement, disability, and death benefits to plan members and their beneficiaries. The plan issues a publicly available financial report that includes financial statements and required supplementary information of the System. That report may be obtained by writing to the System at One South Huron Street, Ypsilanti, Michigan 48197 or on the City's website.

The financial statements of the System are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. The City's contributions are recognized when due and a formal commitment to provide the contributions has been made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plans.

Plan investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on national or international exchanges are valued at the last reported sales price at current exchange rates. Investments that do not have established market values are reported at estimated fair values as determined by the custodian under the direction of the Retirement Board with the assistance of a valuation service. Administrative costs are financed through investment earnings.

The obligation to contribute to the System for these employees was established by City ordinances and state statute and requires a contribution from the employees of 10.0% of gross wages for plan members hired prior to July 1, 2009 and 5% of gross wages for plan members hired after July 1, 2009. The funding policy provides for periodic employer contributions at actuarially determined rates; the current rate is 35.81% of covered payroll.

Notes to Financial Statements

The annual pension cost (APC) for the year ended June 30, 2013 is $1,222,085. The annual pension cost was equal to the City's required and actual contribution. There was no net pension obligation at the beginning or the end of the fiscal year. The ARC was determined as part of an actuarial valuation as of June 30, 2012, using the entry age cost method.

Three-Year Trend Information

Years Ended June 30,	Annual Pension Cost (APC)	Percentage Contributed	Net Pension Obligation
2011	$ 1,018,284	100%	$ -
2012	1,120,305	100%	-
2013	1,222,085	100%	-

The funded status of the System as of June 30, 2012, the date of the most recent actuarial valuation, was as follows:

Actuarial accrued liability (AAL)	$ 43,258,880
Actuarial value of assets	28,530,067
Unfunded AAL (UAAL)	$ 14,728,813
Funded ratio	66.0%
Covered payroll	$ 3,412,398
UAAL as % of covered payroll	431.6%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment and mortality. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. For purposes of the schedule of funding progress, the actuarial accrued liability value is determined using the entry age actuarial cost method.

The accompanying schedule of employer contributions presents trend information about the amounts contributed to the System by the employer in comparison to the ARC (annual required contribution), an amount that is actuarially determined in accordance with the parameters of GASB Statement 25. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost for each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. GASB Statement 25 required supplementary information is presented after the notes to the financial statements section of this report; additional information as of June 30, 2012, the date of the latest actuarial valuation, includes:

Actuarial cost method	Individual entry age
Amortization method	Level percent open
Remaining amortization period	30 years
Asset valuation method	5-year smoothed market

The actuarial assumptions include: 7.5% investment rate of return; 4.0% projected salary increases including 5.0% inflation; 4.0% assumed rate of payroll growth; and no cost-of-living inflationary adjustments to benefits.

Municipal Employees Retirement System of Michigan

The City also participates in the Municipal Employees' Retirement System of Michigan (MERS), an agent multiple-employer defined benefit pension plan that covers all full-time employees of the City not eligible for other retirement systems. The MERS provides retirement, disability, and death benefits to plan members and their beneficiaries. The MERS issues a publicly available financial report that includes financial statements and required supplementary information for the MERS. That report may be obtained by writing to the MERS at 1134 Municipal Way, Lansing, MI 48917.

The obligation to contribute to and maintain the MERS for these employees was established by City ordinances and requires a contribution from the employees of 5.0% of annual compensation. The City was not required to make a minimum City contribution to the plan for the year ended June 30, 2013. This was determined as part of an actuarial valuation at December 31, 2010, using the entry age normal cost method. Similarly, employer contributions were not required the prior three years.

Significant actuarial assumptions used include: (a) an 8.0% investment rate of return; and (b) projected salary increases of 4.5% to 12.9% per year including 4.5% inflation. Both (a) and (b) are determined using techniques that smooth the effects of short-term volatility over a five-year period.

Actuarial accrued liability (AAL)	$ 12,460,118
Actuarial value of assets	(18,074,617)
Overfunded AAL (OAAL)	$ (5,614,499)
Funded ratio	145.1%
Covered payroll	$ 1,946,604
OAAL as % of covered payroll	-288.4%

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

18. OTHER POSTEMPLOYMENT BENEFITS

The City participates in the Municipal Employees' Retirement System of Michigan (MERS), an agent multiple-employer other postemployment benefit plan that provides postemployment healthcare benefits to certain retirees and their beneficiaries. The MERS issues a publicly available financial report that includes financial statements and required supplementary information for the MERS. That report may be obtained by writing to the MERS at 1134 Municipal Way, Lansing, MI 48917.

The City had 219 total participants in the plan. This includes 82 active employees, 1 deferred vested participant, and 136 retirees that were eligible and receiving benefits for the year ended June 30, 2013.

The City has no obligation to make contributions in advance of when the insurance premiums or benefits are due for payment; in other words, the plan may be financed on a pay-as-you-go basis. Administrative costs of the plan are paid for by the City's general fund. Plan participants are not required to contribute to the plan.

For the year ended June 30, 2013, the City paid benefits and made contributions to advance-fund the plan totaling $1,139,174.

For the year ended June 30, 2013, the City estimated the cost of providing retiree healthcare benefits through an actuarial valuation as of December 31, 2012. Such a valuation computes an annual required contribution (ARC) that represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The current combined ARC is 27.0% of annual covered payroll.

For fiscal 2013, the components of the City's annual OPEB (other postemployment benefit) cost for the year, the amount actually contributed to the plan (including pay-as-you-go amounts), and changes in the City's net OPEB asset to the plan are as follows:

Annual required contribution	$ 1,277,408
Interest on net OPEB asset	(26,117)
Adjustment to annual required contribution	27,927
Annual OPEB cost	1,279,218
Contributions made	(1,139,174)
Decrease in net OPEB asset	140,044
Net OPEB asset, beginning of year	(326,461)
Net OPEB asset, end of year	$ (186,417)

Notes to Financial Statements

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the last three years were as follows:

Year Ended	Annual OPEB Cost	Actual Contribution	Percentage of OPEB Cost Contributed	Net OPEB Asset
6/30/2011	$ 991,520	$ 949,197	95.7%	$ 272,699
6/30/2012	991,286	1,045,047	105.4%	326,461
6/30/2013	1,279,218	1,139,174	89.1%	186,417

Funded Status. The funded status of the plan as of December 31, 2012, the date of the latest actuarial valuation, was as follows:

Actuarial accrued liability (AAL)	$ 15,935,506
Actuarial value of assets	3,412,331
Unfunded AAL (UAAL)	$ 12,523,175
Funded ratio	21.4%
Covered payroll	$ 4,722,802
UAAL as % of covered payroll	265.2%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. Significant methods and assumptions were as follows:

Actuarial valuation date	12/31/2012
Actuarial cost method	Entry age normal cost
Amortization method	Level percent of payroll open
Remaining amortization period	30 years
Asset valuation method	Market value
Discount rate	8.0%
Projected salary increases	3.0%
Healthcare inflation rate	9.0% grading to 5.0% ultimately
General inflation rate	2.5%

Notes to Financial Statements

19. JOINT VENTURE

The City is a member of the Ypsilanti Community Utilities Authority (YCUA), which provides water and wastewater services to the residents of the City, Ypsilanti Township and other adjacent municipalities. The City appoints two of the five members of the joint venture's governing board. The joint venture does not involve an explicit, measurable equity interest; hence it is not recorded as an asset in the City's financial statements. Complete financial statements for YCUA can be obtained from its administrative offices at 2777 State Street, Ypsilanti, Michigan.

The City has issued various revenue bonds on behalf of YCUA. Proceeds from the issues are contributed to YCUA for various water and sewer improvements and construction. YCUA reimburses the City annually for debt service payments, with income derived from water and sewer use rates. The City has recorded a lease receivable on its government-wide statement of net position for the principal balance of the bonds drawn to date by YCUA, which is reported net of fund balance amounts in the related debt service funds maintained by the City.

20. LAND HELD FOR RESALE

The City is currently involved in a redevelopment project referred to as the Water Street Redevelopment Project. As a part of this project, the City has acquired various parcels of land in the Water Street area and is in the process of preparing them for resale and redevelopment. Through June 30, 2013, the City has acquired numerous parcels, which are recorded as land held for resale. Acquisition costs are capitalized as well as other costs (legal, consulting, etc.) that are attributable and necessary for the project. The investment is valued at the lower of cost or market.

21. SUBSEQUENT EVENTS

On August 1, 2013 the City refunded the outstanding balance of the 2001, 2002A, 2002C, 2003B and 2004A water supply and sewage disposal system revenue bonds by issuing 2013 unlimited tax general obligation refunding bonds of $7,490,000. The refunding decreased future debt service payments by $496,791.

22. RESTATEMENTS

The City adopted the provisions of GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position,* and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities,* in the current year. As a result, the beginning net position of the governmental activities was decreased by $662,730 to eliminate unamortized bond issuance costs, which no longer meet the definition of an asset and are now required to be recognized as an expense in the period incurred.

23. SPECIAL ITEM

During the year, the City recognized a decrease in market value of the water street properties, which is 38-acre redevelopment project, bounded by Michigan Avenue on the north and the Huron River on the south and west. The total devaluation of land held for resale was $1,995,335.

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REQUIRED SUPPLEMENTARY INFORMATION

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Required Supplementary Information

Schedule of Funding Progress
Police and Fire Retirement System

Actuarial Valuation Date June 30,	Actuarial Value of Assets (1)	Actuarial Accrued Liability (AAL) - Entry Age (2)	Unfunded AAL (UAAL) (1-2)	Funded Ratio (1 / 2)	Covered Payroll (3)	UAAL as a Percentage of Covered Payroll ((1-2) / 3)
2003	$ 33,916,996	$ 29,020,485	$ (4,896,511)	116.9%	$ 4,003,846	-122.3%
2004	32,569,762	31,251,133	(1,318,629)	104.2%	3,891,478	-33.9%
2005	31,180,708	32,774,898	1,594,190	95.1%	4,042,199	39.4%
2006	30,843,790	34,980,132	4,136,342	88.2%	3,996,679	103.5%
2007	34,292,073	36,211,916	1,919,843	94.7%	3,957,733	48.5%
2008	32,934,094	37,869,913	4,935,819	87.0%	3,843,177	128.4%
2009	32,472,100	39,453,312	6,981,212	82.3%	3,889,397	179.5%
2010	31,649,135	42,135,741	10,486,606	75.1%	3,975,109	263.8%
2011	31,577,876	42,667,144	11,089,268	74.0%	3,892,132	284.9%
2012	28,530,067	43,258,880	14,728,813	66.0%	3,412,398	431.6%

Schedule of Employer Contributions
Police and Fire Retirement System

Year Ended June 30,	Annual Required Contributions	Annual Actual Contribution	Percentage Contributed
2004	$ -	$ -	100.00%
2005	-	-	100.00%
2006	500,602	500,602	100.00%
2007	730,106	730,106	100.00%
2008	941,417	941,417	100.00%
2009	946,937	946,937	100.00%
2010	968,212	968,212	100.00%
2011	1,018,284	1,018,284	100.00%
2012	1,120,305	1,120,305	100.00%
2013	1,222,085	1,222,085	100.00%

Required Supplementary Information

Schedule of Funding Progress
Municipal Employees Retirement System of Michigan

Actuarial Valuation Date June 30,	Actuarial Value of Assets (1)	Actuarial Accrued Liability (AAL) - Entry Age (2)	Overfunded AAL (OAAL) (1-2)	Funded Ratio (1 / 2)	Covered Payroll (3)	OAAL as a Percentage of Covered Payroll ((1-2) / 3)
2003	$ 15,107,484	$ 9,888,040	$ (5,219,444)	152.8%	$ 2,910,805	-179.3%
2004	15,678,721	10,303,544	(5,375,177)	152.2%	2,891,747	-185.9%
2005	16,030,936	10,301,827	(5,729,109)	155.6%	2,761,341	-207.5%
2006	16,815,491	11,271,094	(5,544,397)	149.2%	2,250,084	-246.4%
2007	17,454,703	11,905,095	(5,549,608)	146.6%	2,501,910	-221.8%
2008	17,533,524	11,975,264	(5,558,260)	146.4%	2,393,824	-232.2%
2009	17,576,766	11,686,193	(5,890,573)	150.4%	2,289,154	-257.3%
2010	17,795,672	11,787,614	(6,008,058)	151.0%	2,089,039	-287.6%
2011	18,010,045	12,209,422	(5,800,623)	147.5%	2,011,537	-288.4%
2012	18,074,617	12,460,118	(5,614,499)	145.1%	1,946,604	-288.4%

Schedule of Employer Contributions
Municipal Employees Retirement System of Michigan

Year Ended June 30,	Annual Required Contributions	Annual Actual Contribution	Percentage Contributed
2004	$ 6,578	$ 6,578	100.00%
2005	14,448	14,448	100.00%
2006	33,106	33,106	100.00%
2007	35,247	35,247	100.00%
2008	8,187	8,187	100.00%
2009	-	-	0.00%
2010	-	-	0.00%
2011	-	-	0.00%
2012	-	-	0.00%
2013	-	-	0.00%

Required Supplementary Information

Schedule of Funding Progress
Other Postemployment Health Care Benefits

Actuarial Valuation Date June 30,	Actuarial Value of Assets (1)	Actuarial Accrued Liability (AAL) - Entry Age (2)	Unfunded AAL (UAAL) (1-2)	Funded Ratio (1 / 2)	Covered Payroll (3)	UAAL as a Percentage of Covered Payroll ((1-2) / 3)
2008	$ 1,414,918	$ 12,430,962	$ 11,016,044	11.4%	$ 6,028,949	182.7%
2010	3,019,998	12,121,822	9,101,824	24.9%	5,767,671	157.8%
2012	3,412,331	15,935,506	12,523,175	21.4%	4,722,802	265.2%

Schedule of Employer Contributions
Other Postemployment Health Care Benefits

Year Ended June 30,	Annual Required Contributions	Annual Actual Contribution	Percentage Contributed
2009	$ 1,192,998	$ 1,483,485	124.3%
2010	1,192,998	1,218,188	102.1%
2011	989,774	949,195	95.9%
2012	989,774	1,045,048	105.6%
2013	1,277,408	1,139,174	89.2%

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

CITY OF YPSILANTI, MICHIGAN

Combining Balance Sheet

Nonmajor Governmental Funds
June 30, 2013

	Special Revenue	Debt Service	Capital Projects	Totals
Assets				
Cash and cash equivalents	$ 2,132,136	$ 1,763,480	$ 2,358,656	$ 6,254,272
Accounts receivable	3,347	-	32,937	36,284
Due from other funds	-	64,905	-	64,905
Due from other governments	183,595	-	25,260	208,855
Prepaid items	-	-	8,081	8,081
Total assets	$ 2,319,078	$ 1,828,385	$ 2,424,934	$ 6,572,397
Liabilities				
Accounts payable	$ 113,854	$ 13,287	$ 32,727	$ 159,868
Accrued liabilities	19,029	-	-	19,029
Due to other governments	1,332	-	-	1,332
Tax refunds payable	32,662	27,027	-	59,689
Unearned revenue	-	-	12,500	12,500
Total liabilities	166,877	40,314	45,227	252,418
Fund balances				
Nonspendable -				
Prepaid items	-	-	8,081	8,081
Restricted for:				
Major and local streets	1,902,832	-	-	1,902,832
Drug law enforcement	237,819	-	-	237,819
Public transportation	11,550	-	-	11,550
Debt service	-	1,788,071	1,310,425	3,098,496
Committed for capital projects	-	-	1,061,201	1,061,201
Total fund balances	2,152,201	1,788,071	2,379,707	6,319,979
Total liabilities and fund balances	$ 2,319,078	$ 1,828,385	$ 2,424,934	$ 6,572,397

CITY OF YPSILANTI, MICHIGAN

Combining Statement of Revenues, Expenditures and Changes in Fund Balance

Nonmajor Governmental Funds
For the Year Ended June 30, 2013

	Special Revenue	Debt Service	Capital Projects	Totals
Revenues				
Taxes and special assessments	$ 1,064,444	$ 704,040	$ -	$ 1,768,484
Licenses and permits	12,360	-	52,364	64,724
Intergovernmental	1,623,382	1,296,271	1,675,513	4,595,166
Investment earnings	10,272	1,081	4,215	15,568
Other revenues	71,015	7,387	-	78,402
Total revenues	2,781,473	2,008,779	1,732,092	6,522,344
Expenditures				
Current:				
General government	-	-	119,847	119,847
Public safety	223,880	-	52,820	276,700
Public works	-	-	1,331,245	1,331,245
Refuse collection	1,112,773	-	-	1,112,773
Highways, streets and bridges	1,806,267	-	-	1,806,267
Community development	-	-	76,698	76,698
Public transportation	308,175	-	-	308,175
Tax tribunal refunds	1,418	824	-	2,242
Debt service:				
Principal	-	1,645,000	770,000	2,415,000
Interest and fiscal charges	-	376,051	744,021	1,120,072
Total expenditures	3,452,513	2,021,875	3,094,631	8,569,019
Revenues under expenditures	(671,040)	(13,096)	(1,362,539)	(2,046,675)
Other financing sources (uses)				
Issuance of bonds	-	-	1,232,551	1,232,551
Transfers in	564,534	38,105	249,905	852,544
Transfers out	(175,294)	-	(4,587,329)	(4,762,623)
Total other financing sources (uses)	389,240	38,105	(3,104,873)	(2,677,528)
Net changes in fund balances	(281,800)	25,009	(4,467,412)	(4,724,203)
Fund balances, beginning of year	2,434,001	1,763,062	6,847,119	11,044,182
Fund balances, end of year	$ 2,152,201	$ 1,788,071	$ 2,379,707	$ 6,319,979

CITY OF YPSILANTI, MICHIGAN

Combining Balance Sheet

Nonmajor Special Revenue Funds
June 30, 2013

	Major Streets	Local Streets	Garbage and Rubbish Collection	Police	Public Transportation	Total
Assets						
Cash and cash equivalents	$ 1,111,209	$ 704,568	$ 61,337	$ 242,140	$ 12,882	$ 2,132,136
Accounts receivable	1,580	1,747	20	-	-	3,347
Due from other governments	138,975	44,620	-	-	-	183,595
Total assets	$ 1,251,764	$ 750,935	$ 61,357	$ 242,140	$ 12,882	$ 2,319,078
Liabilities						
Accounts payable	$ 51,868	$ 37,820	$ 24,166	$ -	$ -	$ 113,854
Accrued liabilities	4,999	5,180	4,529	4,321	-	19,029
Due to other governments	-	-	-	-	1,332	1,332
Tax refunds payable	-	-	32,662	-	-	32,662
Total liabilities	56,867	43,000	61,357	4,321	1,332	166,877
Fund balances						
Restricted for:						
Major and local streets	1,194,897	707,935	-	-	-	1,902,832
Drug law enforcement	-	-	-	237,819	-	237,819
Public transportation	-	-	-	-	11,550	11,550
Total fund balances	1,194,897	707,935	-	237,819	11,550	2,152,201
Total liabilities and fund balances	$ 1,251,764	$ 750,935	$ 61,357	$ 242,140	$ 12,882	$ 2,319,078

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Special Revenue Funds
For the Year Ended June 30, 2013

	Major Streets	Local Streets	Garbage and Rubbish Collection	Police	Public Transportation	Total
Revenues						
Taxes and special assessments	$ -	$ -	$ 784,102	$ -	$ 280,342	$ 1,064,444
Licenses and permits	8,640	3,720	-	-	-	12,360
Intergovernmental	1,353,892	269,490	-	-	-	1,623,382
Investment earnings	5,245	2,175	503	1,436	913	10,272
Other revenues	4,781	14,505	39,957	11,772	-	71,015
Total revenues	1,372,558	289,890	824,562	13,208	281,255	2,781,473
Expenditures						
Public safety	-	-	-	223,880	-	223,880
Refuse collection	-	-	1,112,773	-	-	1,112,773
Highways, streets and bridges	1,431,605	374,662	-	-	-	1,806,267
Public transportation	-	-	-	-	308,175	308,175
Tax tribunal refunds	-	-	1,029	-	389	1,418
Total expenditures	1,431,605	374,662	1,113,802	223,880	308,564	3,452,513
Revenues over (under) expenditures	(59,047)	(84,772)	(289,240)	(210,672)	(27,309)	(671,040)
Other financing sources (uses)						
Transfers in	100,000	175,294	289,240	-	-	564,534
Transfers out	(175,294)	-	-	-	-	(175,294)
Total other financing sources (uses)	(75,294)	175,294	289,240	-	-	389,240
Net changes in fund balances	(134,341)	90,522	-	(210,672)	(27,309)	(281,800)
Fund balances, beginning of year	1,329,238	617,413	-	448,491	38,859	2,434,001
Fund balances, end of year	$ 1,194,897	$ 707,935	$ -	$ 237,819	$ 11,550	$ 2,152,201

CITY OF YPSILANTI, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - Major Streets Fund
For the Year Ended June 30, 2013

	Budgeted Amounts			
	Original	Final	Actual	Actual Over (Under) Final Budget
Revenues				
Licenses and permits	$ 8,000	$ 6,000	$ 8,640	$ 2,640
Intergovernmental - state	1,414,880	1,440,690	1,353,892	(86,798)
Investment earnings	4,750	4,752	5,245	493
Other revenues	-	4,750	4,781	31
Total revenues	1,427,630	1,456,192	1,372,558	(83,634)
Expenditures				
Highways, streets and bridges:				
Street construction	888,660	832,632	770,939	(61,693)
Routine maintenance	380,587	376,525	303,639	(72,886)
Routine maintenance - bridges	500	3,000	9,651	6,651
Traffic services	108,287	93,061	84,444	(8,617)
Winter maintenance	93,629	62,799	65,761	2,962
Administration	44,707	43,856	40,366	(3,490)
Trunkline maintenance	88,295	157,763	156,805	(958)
Total expenditures	1,604,665	1,569,636	1,431,605	(138,031)
Revenues (under) expenditures	(177,035)	(113,444)	(59,047)	54,397
Other financing sources (uses)				
Transfers in	353,690	288,738	100,000	(188,738)
Transfers out	(175,294)	(175,294)	(175,294)	-
Total other financing sources (uses)	178,396	113,444	(75,294)	(188,738)
Net changes in fund balance	1,361	-	(134,341)	(134,341)
Fund balance, beginning of year	1,329,238	1,329,238	1,329,238	-
Fund balance, end of year	$ 1,330,599	$ 1,329,238	$ 1,194,897	$ (134,341)

CITY OF YPSILANTI, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - Local Streets Fund
For the Year Ended June 30, 2013

	Budgeted Amounts			
	Original	Final	Actual	Actual Over (Under) Final Budget
Revenues				
Licenses and permits	$ 3,500	$ 2,300	$ 3,720	$ 1,420
Intergovernmental - state	265,843	265,843	269,490	3,647
Investment earnings	1,750	1,750	2,175	425
Other revenues	34,500	17,162	14,505	(2,657)
Total revenues	305,593	287,055	289,890	2,835
Expenditures				
Highways, streets and bridges:				
Routine maintenance	315,298	327,153	263,002	(64,151)
Traffic services	30,685	25,947	20,150	(5,797)
Winter maintenance	113,339	65,433	67,461	2,028
Administration	28,423	27,935	24,049	(3,886)
Total expenditures	487,745	446,468	374,662	(71,806)
Revenues under expenditures	(182,152)	(159,413)	(84,772)	74,641
Other financing sources				
Transfers in	182,152	175,294	175,294	-
Net changes in fund balance	-	15,881	90,522	74,641
Fund balance, beginning of year	617,413	617,413	617,413	-
Fund balance, end of year	$ 617,413	$ 633,294	$ 707,935	$ 74,641

CITY OF YPSILANTI, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - Garbage and Rubbish Collection Fund
For the Year Ended June 30, 2013

	Budgeted Amounts			
	Original	Final	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes and special assessments	$ 786,469	$ 785,027	$ 784,102	$ (925)
Investment earnings	640	650	503	(147)
Other revenues	40,361	32,483	39,957	7,474
Total revenues	827,470	818,160	824,562	6,402
Expenditures				
Refuse collection	1,155,464	1,094,690	1,112,773	18,083
Tax tribunal refunds	8,200	1,500	1,029	(471)
Total expenditures	1,163,664	1,096,190	1,113,802	17,612
Revenues (under) expenditures	(336,194)	(278,030)	(289,240)	(11,210)
Other financing sources				
Transfers in	336,194	278,030	289,240	11,210
Net changes in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	$ -	$ -	$ -	$ -

CITY OF YPSILANTI, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - Police Fund
For the Year Ended June 30, 2013

	Budgeted Amounts			
	Original	Final	Actual	Actual Over (Under) Final Budget
Revenues				
Intergovernmental	$ 2,000	$ 275	$ -	$ (275)
Investment earnings	2,200	1,350	1,436	86
Other revenues	24,600	12,000	11,772	(228)
Total revenues	28,800	13,625	13,208	(417)
Expenditures				
Public safety	216,373	247,931	223,880	(24,051)
Revenues (under) expenditures	(187,573)	(234,306)	(210,672)	23,634
Other financing sources				
Transfers in	191,573	234,306	-	(234,306)
Transfers out	(4,000)	-	-	-
Total other financing sources (uses)	187,573	234,306	-	(234,306)
Net changes in fund balance	-	-	(210,672)	(210,672)
Fund balance, beginning of year	448,491	448,491	448,491	-
Fund balance, end of year	$ 448,491	$ 448,491	$ 237,819	$ (210,672)

CITY OF YPSILANTI, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - Public Transportation Fund
For the Year Ended June 30, 2013

	Budgeted Amounts			
	Original	Final	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes and special assessments	$ 275,887	$ 275,888	$ 280,342	$ 4,454
Investment earnings	800	840	913	73
Total revenues	276,687	276,728	281,255	4,527
Expenditures				
Public transportation	308,401	308,384	308,175	(209)
Tax tribunal refunds	500	500	389	(111)
Total expenditures	308,901	308,884	308,564	(320)
Net changes in fund balance	(32,214)	(32,156)	(27,309)	4,847
Fund balance, beginning of year	38,859	38,859	38,859	-
Fund balance, end of year	$ 6,645	$ 6,703	$ 11,550	$ 4,847

CITY OF YPSILANTI, MICHIGAN

Combining Balance Sheet

Nonmajor Debt Service Funds
June 30, 2013

	2001 Revenue Bonds	2002-A Revenue Bonds	2002 General Obligation Bonds
Assets			
Cash and cash equivalents	$ 384,014	$ 437,927	$ -
Due from other funds	-	-	-
Total assets	$ 384,014	$ 437,927	$ -
Liabilities			
Accounts payable	$ 2,897	$ 3,333	$ -
Tax refunds payable	-	-	-
Total liabilities	2,897	3,333	-
Fund balances			
Restricted for debt service	381,117	434,594	-
Total liabilities and fund balances	$ 384,014	$ 437,927	$ -

2002-B Revenue Bonds	2002-C Revenue Bonds	Water Supply and Sewer Refunding	2010 Refunding Bonds Debt Service	Total
$ 44,732	$ 607,339	$ 283,605	$ 5,863	$ 1,763,480
-	-	-	64,905	64,905
$ 44,732	$ 607,339	$ 283,605	$ 70,768	$ 1,828,385
$ 337	$ 4,581	$ 2,139	$ -	$ 13,287
-	-	-	27,027	27,027
337	4,581	2,139	27,027	40,314
44,395	602,758	281,466	43,741	1,788,071
$ 44,732	$ 607,339	$ 283,605	$ 70,768	$ 1,828,385

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Debt Service Funds
For the Year Ended June 30, 2013

	2001 Revenue Bonds	2002-A Revenue Bonds	2002 General Obligation Bonds
Revenues			
Taxes and special assessments	$ -	$ -	$ -
Intergovernmental	113,218	150,415	-
Investment earnings (loss)	-	-	-
Other revenue	-	-	-
Total revenues	113,218	150,415	-
Expenditures			
Tax tribunal refunds	-	-	-
Debt service:			
Principal	70,000	100,000	30,000
Interest and fiscal charges	43,218	50,415	8,105
Total expenditures	113,218	150,415	38,105
Revenues over (under) expenditures	-	-	(38,105)
Other financing sources			
Transfers in	-	-	38,105
Net changes in fund balances	-	-	-
Fund balances, beginning of year	381,117	434,594	-
Fund balances, end of year	$ 381,117	$ 434,594	$ -

2002-B Revenue Bonds	2002-C Revenue Bonds	Water Supply and Sewer Refunding	2010 Refunding Bonds Debt Service	Total
$ -	$ -	$ -	$ 704,040	$ 704,040
31,688	429,740	571,210	-	1,296,271
-	-	-	1,081	1,081
-	-	-	7,387	7,387
31,688	429,740	571,210	712,508	2,008,779
-	-	-	824	824
25,000	280,000	520,000	620,000	1,645,000
6,688	149,740	51,210	66,675	376,051
31,688	429,740	571,210	687,499	2,021,875
-	-	-	25,009	(13,096)
-	-	-	-	38,105
-	-	-	25,009	25,009
44,395	602,758	281,466	18,732	1,763,062
$ 44,395	$ 602,758	$ 281,466	$ 43,741	$ 1,788,071

Combining Balance Sheet

Nonmajor Capital Projects Funds
June 30, 2013

	Capital Improvement Reserve	Sidewalk Improvement	2002 General Obligation Capital Improvements	2003-D Water Supply and Sewer	2004-A Water
Assets					
Cash and cash equivalents	$ 791,630	$ 277,870	$ -	$ 338,926	$ 162,583
Accounts receivable	24,772	-	-	2,576	1,236
Due from other governments	-	-	-	-	-
Prepaid items	8,081	-	-	-	-
Total assets	$ 824,483	$ 277,870	$ -	$ 341,502	$ 163,819
Liabilities					
Accounts payable	$ 16,831	$ 3,740	$ -	$ 2,576	$ 1,236
Unearned revenue	12,500	-	-	-	-
Total liabilities	29,331	3,740	-	2,576	1,236
Fund balances					
Nonspendable-					
Prepaids	8,081	-	-	-	-
Restricted for debt service	-	-	-	338,926	162,583
Committed for capital projects	787,071	274,130	-	-	-
Total fund balances	795,152	274,130	-	338,926	162,583
Total liabilities and fund balances	$ 824,483	$ 277,870	$ -	$ 341,502	$ 163,819

continued...

2004-B Water and Sewer	2003 General Obligation Improvement	2003-B Capital Improvement	2003-B Water and Sewer	2003-C Water and Sewer	2004-A General Obligation	2004-B General Obligation	Land Revolving Capital Projects
$ 431,590	$ -	$ -	$ 87,162	$ 50,199	$ -	$ -	$ 214,705
3,280	-	-	662	381	-	-	-
-	-	-	-	-	-	-	25,260
-	-	-	-	-	-	-	-
$ 434,870	$ -	$ -	$ 87,824	$ 50,580	$ -	$ -	$ 239,965
$ 3,280	$ -	$ -	$ 662	$ 381	$ -	$ -	$ -
-	-	-	-	-	-	-	-
3,280	-	-	662	381	-	-	-
-	-	-	-	-	-	-	-
431,590	-	-	87,162	50,199	-	-	239,965
-	-	-	-	-	-	-	-
431,590	-	-	87,162	50,199	-	-	239,965
$ 434,870	$ -	$ -	$ 87,824	$ 50,580	$ -	$ -	$ 239,965

continued...

Combining Balance Sheet

Nonmajor Capital Projects Funds
June 30, 2013

	2006 Water and Sewer Refunding	2007 Water and Sewer DWRF	2008 Water and Sewer DWRF	2009 Water and Sewer DWRF	Factory Street Pump Station	Totals
Assets						
Cash and cash equivalents	$ -	$ -	$ -	$ -	$ 3,991	$ 2,358,656
Accounts receivable	-	-	-	-	30	32,937
Due from other governments	-	-	-	-	-	25,260
Prepaid items	-	-	-	-	-	8,081
Total assets	$ -	$ -	$ -	$ -	$ 4,021	$ 2,424,934
Liabilities						
Accounts payable	$ -	$ -	$ -	$ -	$ 4,021	$ 32,727
Unearned revenue	-	-	-	-	-	12,500
Total liabilities	-	-	-	-	4,021	45,227
Fund balances						
Nonspendable-						
Prepaids	-	-	-	-	-	8,081
Restricted for debt service	-	-	-	-	-	1,310,425
Committed for capital projects	-	-	-	-	-	1,061,201
Total fund balances	-	-	-	-	-	2,379,707
Total liabilities and fund balances	$ -	$ -	$ -	$ -	$ 4,021	$ 2,424,934

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Combining Statement of Revenues, Expenditures and Changes in Fund Balance

Nonmajor Capital Projects Funds
For the Year Ended June 30, 2013

	Capital Improvement Reserve	Sidewalk Improvement	2002 General Obligation Capital Improvements	2003-D Water Supply and Sewer	2004-A Water
Revenues					
Licenses and permits	$ -	$ 52,364	$ -	$ -	$ -
Intergovernmental	29,415	-	-	339,063	163,258
Investment earnings (loss)	2,416	1,006	-	-	-
Total revenues	31,831	53,370	-	339,063	163,258
Expenditures					
General government	119,847	-	-	-	-
Public safety	52,820	-	-	-	-
Public works	-	42,023	-	-	-
Community development	-	-	-	-	-
Debt service:					
Principal	-	-	-	255,000	70,000
Interest and fiscal charges	-	-	-	84,063	93,258
Total expenditures	172,667	42,023	-	339,063	163,258
Revenues over (under) expenditures	(140,836)	11,347	-	-	-
Other financing sources (uses)					
Issuance of bonds	-	-	-	-	-
Transfers in	239,437	-	-	-	-
Transfers out	-	-	(44,520)	-	-
Total other financing sources (uses)	239,437	-	(44,520)	-	-
Net changes in fund balances	98,601	11,347	(44,520)	-	-
Fund balances, beginning of year	696,551	262,783	44,520	338,926	162,583
Fund balances, end of year	$ 795,152	$ 274,130	$ -	$ 338,926	$ 162,583

continued...

2004-B Water and Sewer	2003 General Obligation Improvement	2003-B Capital Improvement	2003-B Water and Sewer	2003-C Water and Sewer	2004-A General Obligation	2004-B General Obligation	Land Revolving Capital Projects
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
390,631	-	-	89,463	52,500	-	-	75,436
-	-	-	-	-	-	-	763
390,631	-	-	89,463	52,500	-	-	76,199
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	76,698
300,000	-	-	40,000	40,000	-	-	-
90,631	-	-	49,463	12,500	-	-	-
390,631	-	-	89,463	52,500	-	-	76,698
-	-	-	-	-	-	-	(499)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	10,468
-	(84,445)	(1,560,116)	-	-	(80,416)	(931,111)	(1,886,721)
-	(84,445)	(1,560,116)	-	-	(80,416)	(931,111)	(1,876,253)
-	(84,445)	(1,560,116)	-	-	(80,416)	(931,111)	(1,876,752)
431,590	84,445	1,560,116	87,162	50,199	80,416	931,111	2,116,717
$ 431,590	$ -	$ -	$ 87,162	$ 50,199	$ -	$ -	$ 239,965

continued...

Combining Statement of Revenues, Expenditures and Changes in Fund Balance

Nonmajor Capital Projects Funds
For the Year Ended June 30, 2013

	2006 Water and Sewer Refunding	2007 Water and Sewer DWRF	2008 Water and Sewer DWRF	2009 Water and Sewer DWRF	Factory Street Pump Station	Totals
Revenues						
Licenses and permits	$ -	$ -	$ -	$ -	$ -	$ 52,364
Intergovernmental	421,025	20,232	29,231	8,163	57,096	1,675,513
Investment earnings	-	-	-	-	30	4,215
Total revenues	421,025	20,232	29,231	8,163	57,126	1,732,092
Expenditures						
General government	-	-	-	-	-	119,847
Public safety	-	-	-	-	-	52,820
Public works	-	-	-	-	1,289,222	1,331,245
Community development	-	-	-	-	-	76,698
Debt service:						
Principal	25,000	15,000	20,000	5,000	-	770,000
Interest and fiscal charges	396,025	5,232	9,231	3,163	455	744,021
Total expenditures	421,025	20,232	29,231	8,163	1,289,677	3,094,631
Revenues over (under) expenditures	-	-	-	-	(1,232,551)	(1,362,539)
Other financing sources (uses)						
Issuance of bonds	-	-	-	-	1,232,551	1,232,551
Transfers in	-	-	-	-	-	249,905
Transfers out	-	-	-	-	-	(4,587,329)
Total other financing sources (uses)	-	-	-	-	1,232,551	(3,104,873)
Net changes in fund balances	-	-	-	-	-	(4,467,412)
Fund balances, beginning of year	-	-	-	-	-	6,847,119
Fund balances, end of year	$ -	$ -	$ -	$ -	$ -	$ 2,379,707

concluded

CITY OF YPSILANTI, MICHIGAN

Statement of Net Position

Internal Service Funds
June 30, 2013

	Motor Pool	Workers' Compensation	Retiree Health Care Benefits	Total
Assets				
Current assets:				
Cash and cash equivalents	$ 2,731,216	$ 162,756	$ 577,733	$ 3,471,705
Investments	677,564	1,003,810	-	1,681,374
Accounts receivable	3,014	-	4,029	7,043
Inventory	34,324	-	-	34,324
Prepaid items	-	5,000	55,117	60,117
Total current assets	3,446,118	1,171,566	636,879	5,254,563
Noncurrent assets - capital assets, net	1,559,946	-	-	1,559,946
Total assets	5,006,064	1,171,566	636,879	6,814,509
Liabilities				
Current liabilities:				
Accounts payable and accrued liabilities	19,293	7,834	316	27,443
Current portion of claims payable	-	151,200	-	151,200
Total current liabilities	19,293	159,034	316	178,643
Noncurrent liabilities - claims payable, net	-	257,693	-	257,693
Total liabilities	19,293	416,727	316	436,336
Net position				
Invested in capital assets	1,559,946	-	-	1,559,946
Unrestricted	3,426,825	754,839	636,563	4,818,227
Total net position	$ 4,986,771	$ 754,839	$ 636,563	$ 6,378,173

CITY OF YPSILANTI, MICHIGAN

Statement of Revenues, Expenses and Changes in Net Position

Internal Service Funds
For the Year Ended June 30, 2013

	Motor Pool	Workers' Compensation	Retiree Health Care Benefits	Total
Operating revenues				
Charges for services	$ 435,719	$ 78,914	$ 1,243,132	$ 1,757,765
Operating expenses				
Salaries, taxes and benefits	217,951	22,111	-	240,062
Gas, oil and fuel	151,822	-	-	151,822
Depreciation	448,247	-	-	448,247
Operation and maintenance	112,820	2,278	-	115,098
Contractual services and fees	123,284	137,259	-	260,543
Insurance and other	57,363	-	-	57,363
Benefits and claims	-	74,671	1,139,174	1,213,845
Total operating expenses	1,111,487	236,319	1,139,174	2,486,980
Operating income (loss)	(675,768)	(157,405)	103,958	(729,215)
Nonoperating revenues				
Investment income (loss)	36,466	(15,231)	1,659	22,894
Gain on sale of equipment	12,959	-	-	12,959
Total nonoperating revenues	49,425	(15,231)	1,659	35,853
Income (loss) before transfers	(626,343)	(172,636)	105,617	(693,362)
Transfers out	(289,240)	-	-	(289,240)
Change in net position	(915,583)	(172,636)	105,617	(982,602)
Net position, beginning of year	5,902,354	927,475	530,946	7,360,775
Net position, end of year	$ 4,986,771	$ 754,839	$ 636,563	$ 6,378,173

CITY OF YPSILANTI, MICHIGAN

Statement of Cash Flows

Internal Service Funds
For the Year Ended June 30, 2013

	Motor Pool	Workers' Compensation	Retiree Health Care Benefits	Total
Cash flows from operating activities				
Cash received from interfund services	$ 648,448	$ 78,914	$ 1,241,788	$ 1,969,150
Cash payments to employees	(217,951)	(22,111)	-	(240,062)
Cash payments for claims	-	(44,391)	(1,139,013)	(1,183,404)
Cash payments to suppliers for goods and services	(674,431)	(134,932)	(8,056)	(817,419)
Net cash provided by (used in) operating activities	(243,934)	(122,520)	94,719	(271,735)
Cash flows from non-capital financing activities				
Transfer to other funds	(289,240)	-	-	(289,240)
Cash flows from capital and related financing activities				
Purchase of capital assets	(34,016)	-	-	(34,016)
Proceeds from sale of capital assets	12,959	-	-	12,959
Net cash used in capital and related financing activities	(21,057)	-	-	(21,057)
Cash flows from investing activities				
Maturity of investments	365,067	87,510	-	452,577
Investment income	36,466	(15,231)	1,659	22,894
Net cash provided by investing activities	401,533	72,279	1,659	475,471
Net change in cash and cash equivalents	(152,698)	(50,241)	96,378	(106,561)
Cash and cash equivalents, beginning of year	2,883,914	212,997	481,355	3,578,266
Cash and cash equivalents, end of year	$ 2,731,216	$ 162,756	$ 577,733	$ 3,471,705
Reconciliation of operating income (loss) to net cash provided (used) in operating activities				
Operating income (loss)	$ (675,768)	$ (157,405)	$ 103,958	$ (729,215)
Adjustments to reconcile operating income (loss) to net cash provided (used) in operating activities:				
Depreciation	448,247	-	-	448,247
Changes in assets and liabilities:				
Accounts receivable	(2,180)	-	(1,344)	(3,524)
Due from other government	214,909	-	-	214,909
Inventory	(16,799)	-	-	(16,799)
Prepaid items	-	-	(8,056)	(8,056)
Accounts payable and accrued liabilities	(212,343)	4,605	161	(207,577)
Claims payable	-	30,280	-	30,280
Net cash provided by (used in) operating activities	$ (243,934)	$ (122,520)	$ 94,719	$ (271,735)

CITY OF YPSILANTI, MICHIGAN

Statement of Changes in Assets and Liabilities

Current Tax Agency Fund
For the Year Ended June 30, 2013

	Balance June 30, 2012	Additions	Deletions	Balance June 30, 2013
Assets				
Cash and cash equivalents	$ 100,084	$ 34,435,102	$ 34,472,415	$ 62,771
Accrued interest receivable	-	11	-	11
Total assets	$ 100,084	$ 34,435,113	$ 34,472,415	$ 62,782
Liabilities				
Undistributed receipts	$ 100,084	$ 34,435,113	$ 34,472,415	$ 62,782

CITY OF YPSILANTI, MICHIGAN

Statement of Net Position and Governmental Funds Balance Sheet

Downtown Development Authority Component Unit
June 30, 2013

	General Fund	Capital Projects Fund	Total	Adjustments	Statement of Net Position
Assets					
Cash and cash equivalents	$ 271,816	$ 5,141	$ 276,957	$ -	$ 276,957
Capital assets being depreciated, net	-	-	-	1,874,368	1,874,368
Total assets	$ 271,816	$ 5,141	$ 276,957	1,874,368	2,151,325
Liabilities					
Accounts payable	$ 8,252	$ -	$ 8,252	-	8,252
Accrued liabilities	8,902	5,141	14,043	-	14,043
Due to other governments	365	-	365	-	365
Unearned revenue	6,500	-	6,500	-	6,500
Long-term liabilities:					
Due within one year	1,400	-	1,400	130,000	131,400
Due in more than one year	1,510	-	1,510	670,000	671,510
Total liabilities	26,929	5,141	32,070	800,000	832,070
Fund balances / net position					
Unassigned	244,887	-	244,887	(244,887)	-
Total liabilities and fund balances	$ 271,816	$ 5,141	$ 276,957		
Net position					
Net Investment in capital assets				1,071,458	1,071,458
Unrestricted				247,797	247,797
Total net position				$ 1,319,255	$ 1,319,255

CITY OF YPSILANTI, MICHIGAN

Statement of Activities and Governmental Fund Revenues, Expenditures and Changes in Fund Balance

Downtown Development Authority Component Unit
For the Year Ended June 30, 2013

	General Fund	Capital Projects Fund	Total	Adjustments	Statement of Activities
Expenditures/expenses					
Community development	$ 179,539	$ 15,000	$ 194,539	$ 115,336	$ 309,875
Debt service:					
Principal	75,000	50,000	125,000	(125,000)	-
Interest and fiscal charges	9,520	32,896	42,416	-	42,416
Total expenditures/expenses	264,059	97,896	361,955	(9,664)	352,291
Program revenues					
Operating grants and contributions	11,000	-	11,000	-	11,000
Net program (expense) revenue	(253,059)	(97,896)	(350,955)	9,664	(341,291)
General revenues					
Property taxes	293,332	-	293,332	-	293,332
Other revenues	6,700	-	6,700	(1)	6,699
Investment earnings	1,252	65	1,317	-	1,317
Total general revenues	301,284	65	301,349	(1)	301,348
Excess of general revenues over (under) expenditures/expenses	48,225	(97,831)	(49,606)	9,663	(39,943)
Other financing sources (uses)					
Transfers in	-	86,772	86,772	(86,772)	-
Transfers out	(86,772)	-	(86,772)	86,772	-
Total other financing sources (uses)	(86,772)	86,772	-	-	-
Net changes in fund balances	(38,547)	(11,059)	(49,606)	49,606	-
Change in net position	-	-	-	(39,943)	(39,943)
Fund balance/net position, beginning of year	283,434	11,059	294,493	1,064,705	1,359,198
Fund balance/net position, end of year	$ 244,887	$ -	$ 244,887	$ 1,074,368	$ 1,319,255

CITY OF YPSILANTI, MICHIGAN

Statement of Net Position and Governmental Funds Balance Sheet

Depot Town Downtown Development Authority Component Unit
June 30, 2013

	General Fund	Adjustments	Statement of Net Position
Assets			
Cash and cash equivalents	$ 330,411	$ -	$ 330,411
Capital assets being depreciated, net	-	277,887	277,887
Total assets	$ 330,411	277,887	608,298
Liabilities			
Accounts payable / accrued liabilities	$ 2,764	-	2,764
Accrued liabilities	15	1	16
Due to other governments	11,860	-	11,860
Unearned revenue	6,841	-	6,841
Long-term liabilities:			
Due within one year	(44)	18,201	18,157
Due in more than one year	1,247	26,384	27,631
Total liabilities	22,683	44,586	67,269
Fund balances / net position			
Unassigned	307,728	(307,728)	-
Total liabilities and fund balances	$ 330,411		
Net position			
Net Investment in capital assets		232,099	232,099
Unrestricted		308,930	308,930
Total net position		$ 541,029	$ 541,029

CITY OF YPSILANTI, MICHIGAN

Statement of Activities and Governmental Fund Revenues, Expenditures and Changes in Fund Balances

Depot Town Downtown Development Authority Component Unit
For the Year Ended June 30, 2013

	General Fund	Adjustments	Statement of Activities
Expenditures/expenses			
Community development	$ 100,017	$ (979)	$ 99,038
Debt service:			
Principal	17,270	(17,270)	-
Total expenditures/expenses	117,287	(18,249)	99,038
Program revenues			
Operating grants and contributions	28,159	-	28,159
Net program (expense) revenue	(89,128)	18,249	(70,879)
General revenues			
Property taxes	91,428	-	91,428
Other revenue	1,330	-	1,330
Investment earnings	1,267	-	1,267
Total general revenues	94,025	-	94,025
Net changes in fund balances	4,897	(4,897)	-
Change in net position	-	23,146	23,146
Fund balance/net position, beginning of year	302,831	215,052	517,883
Fund balance/net position, end of year	$ 307,728	$ 233,301	$ 541,029

CITY OF YPSILANTI, MICHIGAN

Statement of Net Position and Governmental Funds Balance Sheet

Economic Development Corporation
June 30, 2013

	General Fund	Adjustments	Statement of Net Position
Assets			
Cash and cash equivalents	$ 208,346	$ -	$ 208,346
Capital assets not being depreciated	-	53,200	53,200
Total assets	$ 208,346	53,200	261,546
Liabilities			
Due to other governments	$ 72,164	-	72,164
Fund balances / net position			
Unassigned	136,182	(136,182)	-
Total liabilities and fund balances	$ 208,346		
Net position			
Invested in capital assets		53,200	53,200
Unrestricted		136,182	136,182
Total net position		$ 189,382	$ 189,382

CITY OF YPSILANTI, MICHIGAN

Statement of Activities and Governmental Fund Revenues, Expenditures and Changes in Fund Balance

Economic Development Corporation
For the Year Ended June 30, 2013

	General Fund	Adjustments	Statement of Activities
Expenditures/expenses			
Community development	$ 1,460	$ -	$ 1,460
General revenues			
Investment earnings	828	-	828
Net changes in fund balances	(632)	632	-
Change in net position	-	(632)	(632)
Fund balance/net position, beginning of year	136,814	53,200	190,014
Fund balance/net position, end of year	$ 136,182	$ 53,200	$ 189,382

STATISTICAL SECTION

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CITY OF YPSILANTI, MICHIGAN

Statistical Section

This part of the City of Ypsilanti's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health

CONTENTS **Page**

Financial Trends (schedules 1 thru 4)

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time. 116

Revenue Capacity (schedules 5 thru 8)

These schedules contain information to help the reader assess the government's most significant local sources: property taxes and water and wastewater usage fees. 124

Debt Capacity (schedules 9 thru 13)

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future. 128

Demographic and Economic Information (schedules 14 and 15)

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place. 134

Operating Information (schedules 16 thru 19)

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs. 136

Source: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

CITY OF YPSILANTI, MICHIGAN

Net Position by Component

Last Ten Years

(accrual basis of accounting)

	2004	2005	2006	2007
Governmental activities				
Net investment in capital assets	$ 1,901,299	$ 1,125,536	$ 12,857,112	$ 15,049,123
Restricted	6,247,200	6,452,591	9,093,066	7,108,155
Unrestricted (deficit)	430,852	5,570,379	(10,295,576)	(7,045,772)
Total governmental activities net position	$ 8,579,351	$ 13,148,506	$ 11,654,602	$ 15,111,506

Source: City of Ypsilanti Finance Department

Schedule 1
Unaudited

2008	2009	2010	2011	2012	2013
$ 15,179,422	$ 15,117,105	$ 14,987,983	$ 16,952,331	$ 16,911,390	$ 15,636,305
10,909,451	10,406,691	10,975,911	11,357,896	11,083,068	7,631,866
(9,406,528)	(6,404,471)	(6,202,344)	(6,850,753)	(7,091,726)	(6,545,637)
$ 16,682,345	$ 19,119,325	$ 19,761,550	$ 21,459,474	$ 20,902,732	$ 16,722,534

CITY OF YPSILANTI, MICHIGAN

Changes in Net Position

Last Ten Years

(accrual basis of accounting)

	2004	2005	2006	2007
Expenses				
General government	$ 1,419,098	$ 1,532,445	$ 1,679,364	$ 2,021,481
Public safety	7,429,566	7,251,128	8,185,587	9,601,958
Public works	7,794,953	2,092,229	6,423,905	4,470,462
Highways, streets, and bridges	2,102,452	1,921,935	1,736,108	2,022,071
Culture and recreation	1,208,152	1,250,186	1,013,582	784,039
Community development	825,539	878,517	439,851	415,116
Public transportation	-	-	-	-
Interest on long-term debt	2,583,923	2,958,920	2,866,288	2,514,514
Total expenses	23,363,683	17,885,360	22,344,685	21,829,641
Program revenues				
Charges for services:				
General government	472,612	450,699	462,082	544,717
Public safety	572,581	420,034	570,059	499,197
Public works	586,563	714,187	538,989	516,539
Highways, streets and bridges	-	-	-	-
Culture and recreation	51,059	115,362	138,705	87,033
Community development	-	-	-	-
Operating grants and contributions	2,504,507	2,794,375	2,433,593	2,878,483
Capital grants and contributions	4,420,907	3,727,652	3,087,106	4,891,245
Total program revenues	8,608,229	8,222,309	7,230,534	9,417,214
Net (expense) / revenue	(14,755,454)	(9,663,051)	(15,114,151)	(12,412,427)
General revenues				
Property taxes	9,629,815	9,735,731	10,560,479	11,310,693
Unrestricted grants and contributions	3,489,839	3,375,034	3,338,792	3,276,430
Unrestricted investment earnings (loss)	161,630	1,121,441	(284,207)	1,118,294
Other general revenues	34,650	-	5,183	163,914
Total general revenues	13,315,934	14,232,206	13,620,247	15,869,331
Special item				
Change in fair value of land held for resale	(7,788,399)	-	-	-
Change in net position	$ (9,227,919)	$ 4,569,155	$ (1,493,904)	$ 3,456,904

Source: City of Ypsilanti Finance Department

Table 2
Unaudited

2008	2009	2010	2011	2012	2013
$ 2,212,245	$ 2,788,130	$ 3,075,617	$ 3,326,238	$ 2,866,101	$ 2,083,855
9,618,481	8,563,993	8,638,877	8,257,558	8,601,201	7,908,177
2,084,186	1,935,048	2,031,833	1,980,913	2,015,694	4,067,582
2,562,769	3,165,639	3,612,341	1,192,916	2,823,389	3,921,320
570,113	465,538	435,711	69,221	367,484	408,367
340,815	330,041	229,274	189,050	184,244	292,867
-	-	-	-	262,320	308,564
2,834,154	2,710,134	2,748,116	2,481,838	2,329,834	2,095,288
20,222,763	19,958,523	20,771,769	17,497,734	19,450,267	21,086,020
1,097,252	1,445,822	1,153,950	1,121,010	1,241,641	1,419,828
720,555	947,998	959,591	1,098,886	935,124	1,197,437
-	-	-	-	-	-
-	-	-	-	93,722	-
-	-	-	-	-	-
1,250	1,200	1,200	1,200	1,200	1,500
3,504,349	3,734,396	4,930,921	3,585,313	2,712,064	4,282,348
672,269	94,250	110,078	609,256	322,858	24,258
5,995,675	6,223,666	7,155,740	6,415,665	5,306,609	6,925,371
(14,227,088)	(13,734,857)	(13,616,029)	(11,082,069)	(14,143,658)	(14,160,649)
11,503,422	12,098,938	11,417,456	9,907,455	10,555,401	10,309,164
3,070,879	3,000,840	2,671,507	2,670,643	2,256,140	2,342,612
1,223,621	817,091	169,291	201,895	775,375	(13,260)
-	-	-	-	-	-
15,797,922	15,916,869	14,258,254	12,779,993	13,586,916	12,638,516
-	-	-	-	-	(1,995,335)
$ 1,570,834	$ 2,182,012	$ 642,225	$ 1,697,924	$ (556,742)	$ (3,517,468)

CITY OF YPSILANTI, MICHIGAN

Fund Balances - Governmental Funds

Last Ten Years

(modified accrual basis of accounting)

	2004	2005	2006	2007
General fund				
Nonspendable				
Committed				
Unassigned				
Reserved	$ 477,742	$ 99,780	$ 99,518	$ 311,238
Unreserved, designated	1,318,413	1,990,157	2,457,812	2,198,717
Unreserved, undesignated	915,139	1,586,873	1,670,594	3,078,083
Total general fund	2,711,294	3,676,810	4,227,924	5,588,038
All other governmental funds				
Nonspendable				
Restricted				
Committed				
Unassigned (deficit)				
Reserved	14,949,777	10,111,447	9,432,511	8,174,089
Unreserved, designated	-	-	-	429,428
Unreserved, undesignated reported in:				
Special revenue funds	3,547,024	4,183,232	3,370,274	1,826,258
Debt service funds	2,203,846	1,856,755	1,952,024	1,756,508
Capital projects funds	(2,054,443)	(769,583)	597,400	796,632
Total all other governmental funds	18,646,204	15,381,851	15,352,209	12,982,915
Total governmental funds	$ 21,357,498	$ 19,058,661	$ 19,580,133	$ 18,570,953

Source: City of Ypsilanti Finance Department

Table 3
Unaudited

2008	2009	2010	2011	2012	2013
			$ 269,199	$ 344,707	$ 329,819
			5,579,241	4,378,434	6,008,192
			3,545,913	3,936,006	2,201,556
$ 284,902	$ 208,839	$ 206,175	-	-	-
3,995,995	6,312,543	6,820,988	-	-	-
2,969,171	2,947,235	2,436,793	-	-	-
7,250,068	9,468,617	9,463,956	9,394,353	8,659,147	8,539,567
			4,763,817	4,763,817	2,768,482
			5,671,778	4,869,060	5,327,431
			922,301	1,411,547	1,061,201
			-	(23,938)	(168,166)
6,788,292	6,620,715	6,302,934	-	-	-
609,332	609,332	309,560	-	-	-
					-
1,858,287	1,740,343	2,664,551	-	-	-
1,655,707	1,773,204	1,787,942	-	-	-
1,169,857	824,485	861,140	-	-	-
12,081,475	11,568,079	11,926,127	11,357,896	11,020,486	8,988,948
$ 19,331,543	$ 21,036,696	$ 21,390,083	$ 20,752,249	$ 19,679,633	$ 17,528,515

CITY OF YPSILANTI, MICHIGAN

Changes in Fund Balances - Governmental Funds

Last Ten Years

(modified accrual basis of accounting)

	2004	2005	2006	2007
Revenues				
Taxes and special assessments	$ 9,680,279	$ 9,779,484	$ 10,559,261	$ 11,310,662
Licenses and permits	630,677	750,293	617,089	576,436
Intergovernmental	9,150,474	7,499,981	7,254,893	7,750,482
Charges for services	633,599	698,086	931,525	987,433
Fines and forfeits	153,178	225,384	362,432	297,667
Investment earnings	(45,083)	437,809	(297,092)	932,581
Other revenues	2,199,836	1,465,233	1,410,678	1,704,958
Total revenues	22,402,960	20,856,270	20,838,786	23,560,219
Expenditures				
General government	2,901,404	2,888,462	2,300,056	2,375,208
Public safety	7,398,919	7,121,191	8,114,602	9,811,440
Public works	9,352,172	6,969,115	2,659,544	1,954,923
Refuse collection	982,302	963,935	1,016,505	1,079,251
Highways, streets and bridges	1,211,559	1,232,042	1,180,647	1,814,492
Culture and recreation	834,871	302,147	206,698	162,189
Community development	291,779	215,156	214,575	179,915
Public transportation	-	-	-	-
Unallocated employee benefits	754,956	739,790	847,947	925,577
Tax tribunal refunds	-	-	-	-
Capital outlay	8,656,714	6,660,712	2,375,227	840,776
Debt service:				
Principal	3,182,693	1,718,202	2,299,949	2,665,245
Interest and fiscal charges	2,041,157	4,468,430	3,145,864	2,766,159
Total expenditures	37,608,526	33,279,182	24,361,614	24,575,175
Revenues over (under) expenditures	(15,205,566)	(12,422,912)	(3,522,828)	(1,014,956)
Other financing sources (uses)				
Transfers in	2,973,600	2,355,341	1,924,858	1,139,551
Transfers out	(2,973,600)	(2,373,144)	(1,924,858)	(1,189,551)
Issuance of debt	13,441,864	14,262,866	16,827,648	9,895,000
Bond discount	-	-	-	-
Payment to refunding escrow agent	-	(4,120,988)	(12,783,348)	(9,839,224)
Total other financing sources (uses)	13,441,864	10,124,075	4,044,300	5,776
Special item - change in market value of land held for resale	(7,788,399)	-	-	-
Net change in fund balances	$ (9,552,101)	$ (2,298,837)	$ 521,472	$ (1,009,180)
Debt service as a percentage of noncapital expenditures	18.0%	23.2%	24.8%	22.6%

Source: City of Ypsilanti Finance Department

Table 4
Unaudited

2008	2009	2010	2011	2012	2013
$ 11,503,422	$ 12,098,938	$ 11,417,456	$ 9,907,455	$ 10,555,401	$ 10,309,164
665,684	657,459	530,812	666,586	734,250	748,417
7,826,046	7,667,265	7,880,092	8,369,061	6,678,576	7,112,100
416,730	582,283	533,974	542,669	448,341	733,730
394,089	445,965	475,530	597,265	516,393	499,099
912,077	743,107	35,676	165,346	413,204	(33,737)
534,781	840,477	716,969	541,067	680,652	671,558
22,252,829	23,035,494	21,590,509	20,789,449	20,026,817	20,040,331
2,409,836	2,170,189	2,127,907	2,433,291	2,141,990	2,214,452
8,744,920	8,431,824	8,182,781	8,326,438	8,093,201	7,264,800
997,305	1,194,766	912,196	848,754	788,210	2,085,725
1,171,953	1,184,977	1,078,414	1,065,037	1,041,143	1,112,773
1,973,109	1,691,811	1,540,487	1,592,516	1,740,226	1,806,267
446,196	358,179	457,372	348,756	300,134	284,251
178,636	146,167	544,408	498,817	75,033	92,208
-	226,756	158,967	218,000	262,183	308,175
1,161,692	1,188,986	964,144	878,085	950,627	1,043,139
-	-	-	-	397,353	13,735
-	-	-	-	-	-
2,501,875	2,627,079	2,738,504	2,970,000	3,175,000	3,340,000
2,767,662	2,692,892	2,705,052	2,561,716	2,326,442	2,204,172
22,353,184	21,913,626	21,410,232	21,741,410	21,291,542	21,769,697
(100,355)	1,121,868	180,277	(951,961)	(1,264,725)	(1,729,366)
999,347	1,219,140	2,300,123	1,639,043	2,122,966	6,759,280
(899,683)	(1,187,059)	(2,214,414)	(1,431,863)	(1,930,857)	(6,470,040)
297,596	503,958	87,401	3,856,253	-	5,372,551
-	-	-	-	-	(83,208)
-	-	-	(3,749,306)	-	(4,005,000)
397,260	536,039	173,110	314,127	192,109	1,573,583
-	-	-	-	-	(1,995,335)
$ 296,905	$ 1,657,907	$ 353,387	$ (637,834)	$ (1,072,616)	$ (2,151,118)
25.1%	25.2%	25.8%	29.9%	27.7%	27.2%

CITY OF YPSILANTI, MICHIGAN

Table 5
Unaudited

Assessed and Taxable Value of Property

For the Years 2004 through 2013

		Real Property (1)		Personal Property (1)		Total		
Tax Year	Fiscal Year Ended	Taxable Value	(2) Assessed Value	Taxable Value	(2) Assessed Value	Taxable Value	(2) Assessed Value	Total Direct Tax Rate
2012	2013	$273,316,097	$283,284,181	$ 17,413,000	$ 17,413,000	$290,729,097	$300,697,181	35.2060
2011	2012	290,163,934	309,315,255	19,030,100	19,030,100	309,194,034	328,345,355	33.6731
2010	2011	308,955,109	332,212,495	21,038,100	21,038,100	329,993,209	353,250,595	31.5314
2009	2010	339,950,191	380,570,998	30,525,720	30,525,720	370,475,911	411,096,718	30.8592
2008	2009	353,840,502	436,827,206	48,803,200	48,803,200	402,643,702	485,630,406	30.6016
2007	2008	358,621,343	471,237,912	55,108,200	55,215,000	413,729,543	526,452,912	29.5795
2006	2007	340,765,351	446,378,408	55,300,150	55,896,200	396,065,501	502,274,608	29.5299
2005	2006	314,776,856	423,184,122	44,418,300	44,418,300	359,195,156	467,602,422	29.0301
2004	2005	299,731,615	394,903,750	46,307,000	46,307,000	346,038,615	441,210,750	27.9161
2003	2004	288,510,359	369,609,400	49,798,100	49,798,100	338,308,459	419,407,500	28.2820

(1) Includes properties subject to Industrial Facility Tax exemptions.

(2) Estimated actual value equals the assessed value.

Source: City of Ypsilanti Assessing Division

CITY OF YPSILANTI, MICHIGAN

Table 6
Unaudited

Direct and Overlapping Property Tax Rates

(rate per $1,000 of taxable value)

Fiscal Year Ended June 30,	City	Ypsilanti Public Schools	State Education Tax	Washtenaw Intermediate School District	County	Washtenaw Community College	Ypsilanti District Library	Totals	
								Homestead	Non-Homestead
2013	35.2060	25.0000	6.0000	3.9745	5.7654	3.6376	2.7845	64.3680	82.3680
2012	33.6731	25.0000	6.0000	3.9745	5.7518	3.7176	2.7410	62.8580	80.8580
2011	31.5314	25.0000	6.0000	3.9745	5.7448	3.6856	2.1574	60.0937	78.0937
2010	30.8592	24.2000	6.0000	3.9745	5.7418	3.6856	2.1575	58.6186	76.6186
2009	30.6016	25.0000	6.0000	3.9745	5.7018	3.6856	2.1553	59.1188	77.1188
2008	29.5795	25.0000	6.0000	3.9745	5.6768	3.6956	2.1553	58.0817	76.0817
2007	29.5299	25.0000	6.0000	3.9745	5.6768	3.7082	2.3475	58.2369	76.2369
2006	29.0301	25.0000	6.0000	3.9970	5.5024	3.7249	2.3475	57.6019	75.6019
2005	27.9161	25.0000	6.0000	4.0350	5.5493	3.7748	2.3540	56.6292	74.6292
2004	28.2820	25.0000	5.0000	3.0552	5.5819	3.8343	2.3540	55.1074	73.1074

Components of City Millage Rate							
Fiscal Year Ended June 30,	General Operating	Sanitation	Streets	Public Transport	Police and Fire Pension	YCUA Debt	Total
2013	19.0211	2.7814	5.0243	0.97890	7.4003	-	35.2060
2012	19.0211	2.7814	4.5685	0.97890	6.3232	-	33.6731
2011	19.0211	2.7814	4.3933	-	5.3356	-	31.5314
2010	19.0211	2.7814	3.9086	-	5.1481	-	30.8592
2009	19.0211	2.7814	3.7170	-	5.0821	-	30.6016
2008	19.0211	2.7814	3.3376	-	4.4394	-	29.5795
2007	19.0211	2.7814	3.4641	-	3.9850	0.2783	29.5299
2006	19.0211	2.7814	3.7485	-	2.7660	0.7131	29.0301
2005	19.0937	2.7921	3.5967	-	1.7197	0.7139	27.9161
2004	19.0937	2.7870	3.8533	-	1.7593	0.7887	28.2820

Sources: Annual Apportionment Report of Washtenaw County and City of Ypsilanti Treasury Division

CITY OF YPSILANTI, MICHIGAN

Table 7
Unaudited

Principal Property Tax Payers

Current Year and Ten Years Ago
(amounts expressed in thousands)

	2013			2004		
Taxpayer	Taxable Value	Rank	Percent of Total Taxable Value	Taxable Value	Rank	Percent of Total Taxable Value
Leforge Station II, LLC	$ 4,978,200	1	1.72%	$ -		
DTE- Detroit Edison	3,467,800	2	1.20%	-		
Barnes & Barnes Properties, LLC	2,904,024	3	1.00%	3,582,470	3	1.03%
River Drive Apartments	2,901,100	4	1.00%	-		
DTE Gas Company	2,769,600	5	0.96%	-		
Forest Knoll Apartments	1,808,000	6	0.62%	-		
Khailany Asad	1,806,905	7	0.62%	-		
Fhmc Real Estate, LLC	1,730,486	8	0.60%	-		
Beal Properties, LLC	1,577,570	9	0.54%	-		
Huron View Properties, LLC	1,424,900	10	0.49%	-		
Visteon Corporation	-		-	30,482,781	1	8.77%
DTE- Detroit Edison	-		-	4,371,700	2	1.26%
Forest Health Services, LLC	-		-	3,255,000	4	0.94%
DTE- Mich Con	-		-	3,157,400	5	0.91%
Aces Held, LLC	-		-	2,488,400	6	0.72%
Chatham Capital Corporation	-		-	2,218,200	7	0.64%
Barnes & Barnes Properties, LLC	-		-	2,184,442	8	0.63%
AVE Maria College	-		-	2,022,117	9	0.58%
Riverside Apartments LLC	-		-	1,996,703	10	0.57%
	$25,368,585		8.75%	$55,759,213		16.05%

Source: City of Ypsilanti Assessing Division

CITY OF YPSILANTI, MICHIGAN

Table 8
Unaudited

Property Tax Levies and Collections

Last Ten Years

(1) Fiscal Year Ended June 30,	(2) Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		(3) Delinquent Collections	Total Collections to Date	
		Amount	% of Levy		Amount	% of Levy
2013	$ 7,604,343	$ 6,860,589	90.2%	$ 708,138	$ 7,568,727	99.5%
2012	7,836,628	6,978,910	89.1%	726,765	7,705,675	98.3%
2011	8,042,522	7,020,601	87.3%	899,747	7,920,348	98.5%
2010	8,867,882	7,871,640	88.8%	819,421	8,691,061	98.0%
2009	9,682,649	8,867,407	91.6%	716,759	9,584,166	99.0%
2008	9,710,088	8,824,251	90.9%	798,331	9,622,582	99.1%
2007	9,239,461	8,399,585	90.9%	418,419	8,818,004	95.4%
2006	9,075,900	8,391,389	92.5%	594,060	8,985,449	99.0%
2005	8,394,563	7,870,141	93.8%	335,805	8,205,946	97.8%
2004	8,217,008	7,648,000	93.1%	461,140	8,109,140	98.7%

(1) Property taxes are levied July 1 of the current fiscal year based on taxable property values as of the preceding December 31. Summer taxes become delinquent as of September 15. Winter Taxes become delinquent as of February 15. The City's delinquent real property taxes are purchased by the Washtenaw County Delinquent Uncollected Tax Revolving Fund. Uncollected Personal property taxes are sent to the Ypsilanti Credit Bureau on June 1 for collection.

(2) Includes Industrial Facility Tax.

(3) Includes settlement from Washtenaw County Delinquent Tax Revolving for purchase of delinquent real property taxes.

Source: City of Ypsilanti Treasury Division

CITY OF YPSILANTI, MICHIGAN

Ratios of Outstanding Debt by Type

Last Ten Years

	2004	2005	2006	2007
Governmental activities				
General obligation bonds	$ 25,810,000	$ 27,715,000	$ 29,525,000	$ 28,660,000
Revenue bonds	32,524,115	38,825,827	38,003,306	36,945,000
Installment obligations	4,694,749	3,248,526	3,688,747	3,546,808
Amounts available in debt service funds	(2,203,846)	(1,856,755)	(1,952,024)	(1,756,508)
Total governmental activities	60,825,018	67,932,598	69,265,029	67,395,300
Business-type activities				
Revenue bonds	-	-	-	-
Total outstanding debt	$ 60,825,018	$ 67,932,598	$ 69,265,029	$ 67,395,300
Total taxable value	$ 338,308,459	$ 346,038,615	$ 359,195,156	$ 396,065,501
Ratio of total debt to taxable value	17.98%	19.63%	19.28%	17.02%
Total population	21,989	21,949	21,767	21,827
Total debt per capita	$ 2,766	$ 3,095	$ 3,182	$ 3,088
% of personal income	7.34%	8.10%	8.23%	7.74%
Personal income	$ 829,029	$ 838,693	$ 841,991	$ 870,723

Source: City of Ypsilanti Finance Department

Details regarding the City's debt can be found in the notes to the financial statements.

Table 9
Unaudited

2008	2009	2010	2011	2012	2013
$ 27,750,000	$ 26,800,000	$ 25,805,000	$ 24,560,000	$ 23,080,000	$ 21,640,000
35,797,596	34,776,554	33,277,955	31,616,984	29,921,984	29,389,535
3,399,933	3,247,854	3,090,350	3,090,350	3,090,350	3,090,350
(1,655,707)	(1,773,204)	(1,787,942)	(1,766,812)	(1,744,330)	(1,788,071)
65,291,822	63,051,204	60,385,363	57,500,522	54,348,004	52,331,814
-	-	-	-	-	-
$ 65,291,822	$ 63,051,204	$ 60,385,363	$ 57,500,522	$ 54,348,004	$ 52,331,814
$ 413,729,543	$ 402,643,702	$ 370,475,911	$ 329,993,209	$ 309,194,034	$ 290,729,097
15.78%	15.66%	16.30%	17.42%	17.62%	18.00%
20,849	20,437	19,201	19,435	19,375	19,621
$ 3,132	$ 3,085	$ 3,145	$ 2,959	$ 2,811	$ 2,667
7.66%	7.54%	7.69%	7.69%	7.43%	6.53%
$ 852,828	$ 835,975	$ 785,417	$ 735,790	$ 733,518	$ 800,948

CITY OF YPSILANTI, MICHIGAN

Table 10
Unaudited

Ratios of Net General Bonded Debt Outstanding

Last Ten Years

Year	General Obligation Bonds	Less: Amounts Restricted to Repaying Principle	Net General Bonded Debt	% of Actual Taxable Value of Property	Per Capita
2013	$ 21,640,000	$ 1,788,071	$ 19,851,929	6.83%	$ 1,012
2012	23,080,000	1,744,330	21,335,670	6.94%	1,108
2011	24,560,000	1,766,812	22,793,188	6.91%	1,173
2010	25,805,000	1,787,942	24,017,058	6.48%	1,251
2009	26,800,000	1,773,204	25,026,796	6.22%	1,225
2008	27,750,000	1,655,707	26,094,293	6.31%	1,252
2007	31,410,350	1,756,508	29,653,842	7.49%	1,359
2006	32,275,350	1,952,024	30,323,326	8.44%	1,393
2005	30,465,350	1,856,755	28,608,595	8.27%	1,303
2004	28,118,324	2,203,846	25,914,478	7.66%	1,179

Source: City of Ypsilanti Finance Department

CITY OF YPSILANTI, MICHIGAN

Table 11
Unaudited

Computation of Net Direct and Overlapping Debt

June 30, 2013

	Gross Amount Outstanding	Self-Supporting or Paid by Benefited Government	Net Amount Outstanding
Direct debt			
General obligation bonds	$ 21,640,000	$ -	$ 21,640,000
General obligation bonds - DDA	800,000	800,000	-
Revenue bonds	29,389,535	29,389,535	-
Revenue bonds - Depot Town DDA	44,585	44,585	-
Installment obligations	3,090,350	-	3,090,350
Total direct debt	$ 54,964,470	$ 30,234,120	24,730,350

	Net Debt Outstanding	Percentage Applicable to City of Ypsilanti	Share Applicable to City of Ypsilanti
Overlapping debt			
Ypsilanti School District	$ 26,989,657	100.00%	$ 26,989,657
Washtenaw County	1,791,043	100.00%	1,791,043
Washtenaw Community College	361,674	100.00%	361,674
Ypsilanti District Library	1,157,166	100.00%	1,157,166
Total overlapping debt	30,299,540		30,299,540
Total direct and overlapping debt			$ 55,029,890

(1) Overlapping debt is calculated for an entity, based upon assessed values received from the State of Michigan, which determines the issuer's proportionate share of the debt of other local governmental units that either overlap it (the issuer is located either wholly or partly within the geographic limits of the other units) or underlie it (the other units are located within the geographic limits of the issuer). The debt is apportioned based upon relative assessed values.

Source: City of Ypsilanti Finance Department and Municipal Advisory Council of Michigan

CITY OF YPSILANTI, MICHIGAN

Table 12
Unaudited

Legal Debt Margin

Last Ten Years

Legal debt margin calculation for 2013

Assessed value (state equalized value)	$ 300,697,181
Debt limit (10% of assessed value)	$ 30,069,718
Net debt subject to limitation:	
General obligation bonds	21,640,000
Less amounts available for repayment of general obligation bonds	(1,788,071)
	19,851,929
Legal debt margin	$ 10,217,789

	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Ratio
2013	$ 32,834,536	$ 19,851,929	$ 12,982,607	60.46%
2012	32,834,536	21,335,670	11,498,866	64.98%
2011	35,325,060	22,793,188	12,531,872	64.52%
2010	41,109,672	24,017,058	17,092,614	58.42%
2009	48,563,041	25,026,796	23,536,245	51.53%
2008	52,645,291	26,094,293	26,550,998	49.57%
2007	50,227,461	29,653,842	20,573,619	59.04%
2006	46,760,242	26,645,475	20,114,767	56.98%
2005	44,121,075	27,695,470	16,425,605	62.77%
2004	41,940,750	25,697,925	16,242,825	61.27%
2003	38,815,768	21,983,237	16,832,531	56.63%

Source: City of Ypsilanti Finance Department

CITY OF YPSILANTI, MICHIGAN

Table 13
Unaudited

Revenue Bond Coverage

Last Ten Years

Fiscal Year Ended August 31,	(1) Gross Revenue	(2) Operating Expenses	Net Revenue Available for Debt Service	(3) Total Debt Service Requirement	Coverage
2012	$ 34,764,666	$ 27,565,394	$ 7,199,272	$ 4,509,206	159.7%
2011	33,586,953	26,167,217	7,419,736	5,683,760	130.5%
2010	31,115,683	25,491,690	5,623,993	6,002,290	93.7%
2009	34,348,642	26,841,880	7,506,762	5,653,810	133.0%
2008	35,548,571	27,925,431	7,623,140	5,368,807	142.0%
2007	37,781,498	26,934,363	10,847,135	5,596,598	193.8%
2006	33,818,172	25,512,868	8,305,304	6,534,757	127.1%
2005	34,602,217	23,178,366	11,423,851	6,108,306	187.0%
2004	33,550,541	21,058,612	12,491,929	5,252,872	238.0%
2003	27,197,424	21,476,377	5,721,047	4,689,848	122.0%

Source: Ypsilanti Community Utilities Authority comprehensive annual financial report.
(Note: YCUA is on a August 31 fiscal year end; as such, the 2013 report is not yet available.)

(1) Includes operating revenue, investment earnings, connect fees and debt service contributions.

(2) Excludes depreciation expense.

(3) Includes bonds and capital leases applicable to YCUA as a whole.

CITY OF YPSILANTI, MICHIGAN

Table 14
Unaudited

Demographic and Economic Statistics

Last Ten Years

Year	(1) Population	(2) Total Personal Income (in thousands)	(2) Per Capita Income	(3) School Enrollment	(4) Unemployment Rate
2013	19,621	$ 800,948	$ 40,821	4,525	7.6%
2012	19,375	733,518	37,859	3,678	6.2%
2011	19,435	735,790	37,859	3,175	9.6%
2010	19,201	726,931	37,859	3,896	9.9%
2009	20,437	773,724	37,859	3,881	11.3%
2008	20,849	852,828	40,905	3,864	8.0%
2007	21,827	870,723	39,892	4,005	4.5%
2006	21,767	841,991	38,682	4,071	4.6%
2005	21,949	838,693	38,211	4,141	4.4%
2004	21,989	829,029	37,702	4,401	4.3%

Year	(1) Population	(1) Median Age
2010	19,435	24
2000	22,237	24
1990	24,846	24
1980	24,031	24
1970	29,538	24
1960	20,957	-
1950	18,302	-
1940	12,121	-
1930	10,143	-

(1) Estimate per SEMCOG and/or U.S. Census Bureau

(2) Estimate from U.S. Department of Commerce, Bureau of Economic Analysis. For years 2010, 2011, and 2012 data was not yet available (used prior year data).

(3) Data from Ypsilanti Community Schools

(4) Labor market information at Michigan.gov (for Ann Arbor, MI Metropolitan Statistical Area)

CITY OF YPSILANTI, MICHIGAN

Table 15
Unaudited

Principal Employers

Current Year and Ten Years Ago

	2013			2004		
Employer	Employees	Rank	% of Workforce	Employees	Rank	% of Workforce
Eastern Michigan University	1,854	1	16.94%	2,094	2	17.04%
Ypsilanti Public Schools	484	2	4.48%	690	3	5.61%
Washtenaw County	318	3	2.29%	461	4	3.75%
Bortz Health Care of Ypsilanti	148	4	1.29%	143	7	1.16%
City of Ypsilanti	85	5	0.81%	139	8	1.13%
Forest Health Services	84	6	0.73%	24		-
Marsh Plating & Finishing Services	77	7	0.63%	71	9	0.58%
Gene Butman Ford	68	8	0.42%	62	11	0.50%
Fischer Honda	47	9	0.30%	82	12	0.67%
Walgreens	37	10	0.50%	70	10	0.57%
Ford Motor Company	-		-	2,273	1	18.49%
Beyer Hospital	-		-	375	5	3.05%
Exemplar Manufacturing	-		-	147	6	1.20%
	3,202		28.39%	6,631		53.75%

Source: Economic Development Department, City of Ypsilanti
Washtenaw County Economic Development & Growth
Manta.com and prior Official Statement for the City of Ypsilanti

CITY OF YPSILANTI, MICHIGAN

Table 16
Unaudited

Employees by Department

Last Ten Years

Function/Program	Full-time Equivalent Employees as of June 30,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Mayor and City Council	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Administrative services										
City Manager (172)	2.50	2.00	2.50	2.00	2.10	1.85	1.85	1.85	1.85	1.85
Human Resources (226)	2.00	2.00	2.00	1.80	1.90	1.55	1.55	1.55	1.55	1.55
Ordinance Enforcement (341)	1.00	1.00	1.00	1.00	1.00	1.00	0.50	0.50	0.50	0.50
Building Inspection (371)	5.00	5.00	5.00	5.00	5.00	5.25	3.75	3.58	3.35	3.25
Planning & Development (801)	5.00	5.00	4.50	3.50	3.40	1.65	1.65	1.65	2.38	2.38
Recreation (707)	1.75	1.00	-	-	-	-	-	-	-	-
	17.25	16.00	15.00	13.30	13.40	11.30	9.30	9.13	9.63	9.53
Citizen services										
Voters Registration, school and county election (191)	2.00	2.00	1.00	1.00	-	-	-	-	-	-
City Clerk (215)	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	1.95	1.95
	4.00	4.00	3.00	3.00	2.00	2.00	2.00	2.00	1.95	1.95
Administrative Hearing Bureau	-	-	-	-	-	-	-	-	0.10	0.10
Fire services										
Administration (337)	2.00	2.00	2.00	2.00	2.00	1.00	1.00	1.00	1.00	1.00
Suppression (339)	21.00	21.00	21.00	21.00	23.00	21.00	21.00	19.00	18.50	16.00
	23.00	23.00	23.00	23.00	25.00	22.00	22.00	20.00	19.50	17.00
Fiscal services										
Finance - Accounting (201)	3.00	3.00	3.00	2.70	3.20	3.20	3.20	3.03	3.03	3.03
Finance - Assessor (209)	2.00	2.00	2.00	2.00	1.00	1.00	1.00	1.00	0.93	0.33
Finance - Treasurer (253)	2.50	2.00	2.00	1.80	1.50	1.50	1.50	1.34	1.34	1.34
	7.50	7.00	7.00	6.50	5.70	5.70	5.70	5.37	5.30	4.70
Police services										
Administration (305)	3.00	3.00	3.00	3.00	2.00	2.00	2.00	2.00	2.00	2.00
Field Services (307)	42.00	42.00	42.00	40.00	41.00	37.00	38.40	28.00	28.00	24.00
COPS Grant	-	-	-	-	-	-	-	3.00	3.00	2.00
Parking Enforcement (311)	6.00	6.00	6.00	6.00	4.00	2.00	2.00	2.00	2.00	2.00
LAWNET Grant (312 & 316)	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
School Liaison Contract (317)	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	-	-
	53.00	53.00	53.00	51.00	49.00	43.00	44.40	37.00	36.00	31.00
Public services										
Parks, streets, building, parking lots, and garbage collection	22.00	22.00	23.00	22.00	21.75	19.00	17.00	17.00	17.00	17.00
Administration (441)	3.75	3.75	3.75	3.75	4.00	3.75	3.75	3.88	3.88	3.81
	25.75	25.75	26.75	25.75	25.75	22.75	20.75	20.88	20.88	20.81
Total full-time employees	130.50	128.75	127.75	122.55	120.85	106.75	104.15	94.38	93.36	85.09
Total council and full-time employees	137.50	135.75	134.75	129.55	127.85	113.75	111.15	101.38	100.36	92.09

Source: City of Ypsilanti Finance Department

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CITY OF YPSILANTI, MICHIGAN

Operating Indicators by Function/Program

Last Ten Years

Function/Program	2004	2005	2006	2007
Public Safety				
Police services				
Number of uniform crime reporting	4,324	3,946	4,171	4,524
Number of traffic violations	2,550	3,492	3,275	3,269
Number of arrests	1,935	1,327	1,479	1,818
Number of parking violations	9,522	16,954	14,851	11,369
Fire services				
Number of calls answered	582	511	478	511
Number of inspections conducted	859	778	785	980
Public Services				
Miles of local streets maintained	20.56	20.56	20.56	21.22
Miles of major streets maintained	33.18	33.18	33.18	32.52
Public Utilities				
Miles of water mains	53.74	53.74	53.74	53.74
Number of fire hydrants	663	663	663	663

Source: City of Ypsilanti Police, Fire and Public Services Departments.

Table 17
Unaudited

2008	2009	2010	2011	2012	2013
3,087	3,349	3,295	1,936	2,983	2,913
3,538	7,502	8,458	3,253	3,609	3,024
1,484	2,015	1,864	1,738	1,715	1,698
6,818	9,654	9,611	9,880	10,593	9,223
402	553	566	564	600	639
996	1,396	1,464	1,588	400	384
21.22	21.22	21.22	21.22	21.22	21.22
32.52	32.44	32.44	32.44	32.44	32.44
53.74	53.74	53.74	53.74	58.66	58.66
663	663	663	663	663	663

Table 18
Unaudited

Capital Asset Statistics by Function/Program
Last Ten Years

Function/Program	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Police Services										
Police department building	1	1	1	1	1	1	1	1	1	1
Temporary detention cells	2	2	2	2	2	2	2	2	2	2
Vehicle patrol units:										
Police service automobiles	13	13	12	12	10	10	10	10	9	9
Unmarked police vehicles	8	8	7	7	7	6	6	7	7	7
Parking enforcement	2	2	2	2	2	2	2	2	2	2
Mobile command vehicle	1	1	1	1	1	1	1	1	1	1
Volunteer service vehicle	-	-	1	1	1	1	1	1	1	1
Fire Services										
Emergency services building	1	1	1	1	1	1	1	1	1	1
Vehicle units:										
Pumper truck	3	3	2	2	2	2	2	2	2	2
Pumper ladder truck	2	2	1	1	1	1	1	1	1	1
Rescue truck	1	1	1	1	1	1	1	-	-	-
Jaws of life	1	1	1	1	1	1	1	1	1	1
Chief's city car	1	1	1	1	1	1	1	1	1	1
Trailer	1	1	1	1	-	-	-	-	-	-
Pickup truck	1	1	1	1	1	1	1	1	2	2
Utility van	1	1	1	1	1	1	1	1	-	-
Administrative Services										
Crown Victoria - CH	2	2	2	2	2	1	1	1	1	1
Impala	-	-	-	-	-	-	-	1	1	1
Taurus - CM	-	-	-	-	-	1	1	1	1	1
Building enforcement vehicles	4	4	4	4	4	2	2	3	3	3
Public Services										
Passenger										
Crown Victoria	2	2	2	2	2	3	4	3	2	2
Escape	-	-	-	-	-	-	-	1	1	1
Van	2	2	2	2	2	1	1	1	-	-
Van with Aerial Lift	-	-	-	-	-	1	1	1	1	1
Trucks:										
Pick-up	9	9	9	9	9	8	9	8	7	7
with Aerial Lift	-	-	-	-	-	3	3	3	1	1
Dump	9	9	9	9	9	9	9	10	11	11
with Grapple	-	-	-	-	-	1	1	1	1	1
Stake	7	7	7	7	7	6	6	6	6	6
with Aerial Lift	2	2	2	2	2	-	-	-	1	1
Recycle Truck	1	1	1	1	1	1	1	1	-	-
Packer Truck	3	3	3	3	3	4	4	4	4	4
Brush Chipper	2	2	2	2	2	3	3	1	1	1

Table 18
Unaudited

Capital Asset Statistics by Function/Program
Last Ten Years

Function/Program	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Tractors:										
with Front Loader	2	2	2	2	2	2	2	2	1	1
with Front Loader/Rear Plow	1	1	1	1	1	1	1	1	1	1
with Bucket & Backhoe	1	1	1	1	1	1	1	1	1	1
with Drawn Rake	1	1	1	1	1	1	1	1	1	1
with Salt Spreader & Snow Plow	-	-	-	-	-	1	1	1	1	1
Garden	9	9	9	9	9	9	9	9	7	7
Wide Area Mower	-	-	-	-	-	1	1	1	1	1
Loader with Bucket	2	2	2	2	2	3	3	3	3	3
Rear Loader	-	-	-	-	-	-	-	1	1	1
Equipment:										
Gas Tester	1	1	1	1	1	1	1	1	1	1
Arrowboard	2	2	2	2	2	2	2	2	2	2
Pump	-	-	-	-	-	-	-	2	2	2
Snow Blower	4	4	4	4	4	4	4	4	4	4
Traffic Counter	8	8	8	8	8	8	8	8	8	8
Star Drill	1	1	1	1	1	1	1	1	1	1
Flail Mower	1	1	1	1	1	1	1	-	-	-
Trailer	3	3	3	3	3	4	4	4	4	4
Sign Driver	-	-	-	-	-	-	-	1	1	1
Auger	2	2	2	2	2	2	2	2	2	2
Street Sweeper	2	2	2	2	2	2	2	2	3	3
Compactor	1	1	1	1	1	1	1	1	1	1
Cement Mixer	2	2	2	2	2	2	2	1	1	1
Bituminous	1	1	1	1	1	1	1	1	1	1
Hyd. Sewer Cleaner	2	2	2	2	2	2	2	1	1	1
Compressor	1	1	1	1	1	1	1	-	-	-
Concrete Pavement Saw	2	2	2	2	2	2	2	2	2	2
Rear Plow	1	1	1	1	1	1	1	1	1	1
Dual Line Stripper	1	1	1	1	1	1	1	1	1	1
Leaf Blower	3	3	3	3	3	3	3	3	3	3
Weed Eater	9	9	9	9	9	9	9	11	11	11
Weed Eater (brush cutter)	-	-	-	-	-	-	-	-	1	1
Rotary Lawn Mower	1	1	1	1	1	2	2	2	2	2
Bush Hog	1	1	1	1	1	1	1	1	1	1
Generator	2	2	2	2	2	2	2	2	2	2
Compressor	1	1	1	1	1	1	2	2	2	2
Maint. Drawn Tracor Blade	1	1	1	1	1	1	1	1	1	1
Sod Cutter	1	1	1	1	1	1	1	1	1	1
Rotary Tiller	1	1	1	1	1	1	1	1	1	1
Chain Saw	11	11	11	11	11	11	11	12	12	12
Power Pruner	3	3	3	3	3	4	4	3	3	3
Stump Cutter	1	1	1	1	1	1	1	-	-	-
Chipper Box	1	1	1	1	1	1	1	1	1	1
Fork Lift	1	1	1	1	1	1	1	1	1	1

Capital Asset Statistics by Function/Program
Last Ten Years

Function/Program	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Roller	1	1	1	1	1	1	1	1	1	1
Pressure Washer	1	1	1	1	1	1	1	1	1	1
Portable Space Heater	1	1	1	1	1	1	1	1	1	1
Power MIG 255	1	1	1	1	1	1	1	1	1	1
Precision TIG 275	1	1	1	1	1	1	1	1	1	1
Row Boat	1	1	1	1	1	1	1	1	1	1
Sandblaster	-	-	-	-	-	-	1	1	1	1
Weed Eater/Hedge Trimmer	-	-	-	-	-	-	-	-	1	1
Parks & Recreation										
Parks:										
Active	8	8	8	8	8	8	8	8	8	8
Inactive	2	2	2	2	2	1	1	1	1	1
Tot Lots	2	2	2	2	2	3	3	3	3	3
Park acreage:										
Active parks	81	81	81	81	81	81	81	81	81	81
Inactive	4	4	4	4	4	2	2	2	2	2
Tot Lots	2	2	2	2	2	2	2	2	2	2
Picnic areas	9	9	9	9	9	9	9	9	9	9
Buildings:										
Parkridge Community Center	1	1	1	1	1	1	1	1	1	1
Senior Center	1	1	1	1	1	1	1	1	1	1
Concessions	1	1	1	1	1	1	1	1	1	1
Pavilions	8	8	8	8	8	8	9	9	9	9
Swimming Pool	1	1	1	1	1	1	1	1	1	1
Amphitheater	1	1	1	1	1	1	1	1	1	1
Multiuse Trail	2	2	2	2	2	-	-	1	1	1
Park and Play Area Acreage										
Candy Cane Park	7	7	7	7	7	7	7	7	7	7
Carrie Mattingly Tot Lot	1	1	1	1	1	1	1	1	1	1
Charles Street Tot Lot	0	0	0	0	0	0	0	0	0	0
Edith Hefley Park	1	1	1	1	1	1	1	1	1	1
Frog Island Park	7	7	7	7	7	7	7	7	7	7
Gilbert Park	2	2	2	2	2	-	-	-	-	-
Parkridge Park Community Center	8	8	8	8	8	8	8	8	8	8
Peninsular Park	5	5	5	5	5	5	5	5	5	5
Prospect Park	10	10	10	10	10	10	10	10	10	10
Recreation Park/Pool/Senior Center	17	17	17	17	17	17	17	17	17	17
Riverside Park	14	14	14	14	14	14	14	14	14	14
Waterworks Park	13	13	13	13	13	13	13	13	13	13

CITY OF YPSILANTI, MICHIGAN

Table 18
Unaudited

Capital Asset Statistics by Function/Program

Last Ten Years

Function/Program	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Picnic										
Candy Cane Park	1	1	1	1	1	1	1	1	1	1
Edith Hefley Park	1	1	1	1	1	1	1	1	-	-
Frog Island Park	1	1	1	1	1	1	1	1	-	-
Parkridge Park Community Center	1	1	1	1	1	1	1	1	1	1
Peninsular Park	1	1	1	1	1	1	1	1	1	1
Prospect Park	2	2	2	2	2	2	2	2	2	2
Recreation Park/Pool/Senior Center	1	1	1	1	1	1	1	1	1	1
Riverside Park	1	1	1	1	1	1	1	1	1	1
Waterworks Park	1	1	1	1	1	1	1	1	1	1
Pavilions										
Recreation Park/Pool/Senior Center	1	1	1	1	1	1	1	1	1	1
Candy Cane Park	1	1	1	1	1	1	1	1	1	1
Prospect Park	2	2	2	2	2	2	2	2	2	2
Waterworks Park	1	1	1	1	1	1	1	1	1	1
Frog Island Park	-	-	-	-	-	-	-	-	-	-
Parkridge Park Community Center	1	1	1	1	1	1	1	1	1	1
Riverside Park	1	1	1	1	1	1	2	2	2	2
Peninsular Park	1	1	1	1	1	1	1	1	1	1
City Attractions										
Eastern Michigan Campus	1	1	1	1	1	1	1	1	1	1
Farmer's Market / Freighthouse	1	1	1	1	1	1	1	1	1	1
Michigan Firehouse Museum	1	1	1	1	1	1	1	1	1	1
Riverside Arts Center	1	1	1	1	1	1	1	1	1	1
RM Classic Cars US Headquarter	1	1	1	1	1	1	1	1	-	-
The Tridge	-	-	-	-	-	-	-	-	-	-
Ypsilanti Automotive Heritage Collection	1	1	1	1	1	1	1	1	1	1
Ypsilanti District Library	1	1	1	1	1	1	1	1	1	1
Ypsilanti Historical Museum	1	1	1	1	1	1	1	1	1	1
Ypsilanti Water Tower	1	1	1	1	1	1	1	1	1	1
Ypsilanti West Commerce Park	1	1	1	1	1	1	1	1	1	1

Source: City of Ypsilanti Finance Department

CITY OF YPSILANTI, MICHIGAN

Table 19
Unaudited

Schedule of Insurance

As of June 30, 2013

Type of Coverage Name of	Policy Period	Premium	Description
Michigan Municipal League Liability and Property Pool	08/01/12-08/01/13	$ 275,706	Covers general liability, police professional liability and public officials errors & omissions. Limit of liability $2,000,000.
Michigan Municipal League Liability and Property Pool	08/01/12-08/01/13	54,543	Covers equipment and automobiles.
Michigan Municipal League Liability and Property Pool	08/01/12-08/01/13	22,168	Covers buildings and attached property.
Amwins Program Underwriters Inc	8/30/12-8/30/13	2,545	Covers commercial storage tank
Blue Cross - Blue Shield, Assurant, EHIM, Fort Dearborn, MECA, UNUM	07/01/2012-06/30/2013	1,963,266	Employee and retiree benefits: health, dental, prescription, life, vision and long-term disability.
Comp One Administrator and Accident Fund	07/01/2012-06/30/2013	175,378	Workers compensation and employees liability excess insurance policy for self insure combined specific and aggregate agreement. Part one - employer liability $1,000,000, part two - workers compensation limit $5,000,000, part two - employer liability $1,000,000.

Source: City of Ypsilanti Finance Department